

IBTKGRA1

1 UNITED STATES DISTRICT COURT  
2 SOUTHERN DISTRICT OF NEW YORK

-----x

3 UNITED STATES OF AMERICA,

New York, N.Y.

4 v.

16 CR 468 (GHW)

5 JAMES GRANT and JEREMY  
6 REICHBERG,

7 Defendants.

-----x

8 November 29, 2018  
9 9:08 a.m.

10 Before:

11 HON. GREGORY H. WOODS,

12 District Judge  
13

14  
15 APPEARANCES

16 GEOFFREY S. BERMAN

17 United States Attorney for the  
Southern District of New York

18 BY: JESSICA R. LONERGAN

KIMBERLY J. RAVENER

19 MARTIN BELL

Assistant United States Attorneys

20  
21 HAFETZ & NECHELES, LLP

Attorneys for Defendant Reichberg

22 BY: SUSAN R. NECHELES

23 MERINGOLO & ASSOCIATES

Attorneys for Defendant Grant

24 BY: JOHN MERINGOLO

ANJELICA CAPPELLINO  
25

IBTKGRA1

1 (In open court; jury not present)

2 THE COURT: Thank you very much.

3 Good morning. Thank you for being here and timely  
4 today.

5 I received a number of letters this morning. I read  
6 through, I think, most of them. There are a few issues that we  
7 should talk through, if we can. I'd like to start with the  
8 letter from counsel for Mr. Grant about the NYPD subpoenas.

9 First, thank you for sending this letter, and thank  
10 you for working to narrow the list of potential NYPD officers  
11 who might come to testify here.

12 My first question is whether you communicated about  
13 this list with the NYPD. Counsel?

14 MS. CAPPELLINO: Your Honor, we had sent our letter to  
15 the NYPD attorney last night when we filed. We haven't heard  
16 back yet because of the time, but we'll be in touch.

17 THE COURT: Good. Thank you.

18 I'd like to ask that you talk with them between now  
19 and tomorrow at some point, if you can. I'd like to get some  
20 sense of the extent to which they continue to object to this  
21 more narrow band of potential witnesses, and I may ask for more  
22 information regarding the anticipated relevance of the  
23 testimony of these people. So it would be helpful for me to  
24 know to what extent they still object to this slate of  
25 witnesses. They may not be in a position to send me in writing

IBTKGRA1

1 their position with respect to that issue, but for scheduling  
2 purposes, for sometime early next week, to the extent that  
3 there remain disputes about whether or not these people should  
4 be compelled to come to trial or whether or not the subpoenas  
5 should be quashed, we may need to set aside some time for what  
6 would otherwise be a trial day to take up those issues.

7 So if I can ask counsel for Mr. Grant to confer with  
8 counsel for the NYPD at some point after today's trial and be  
9 prepared to talk to me tomorrow about their position, that  
10 would be helpful, and I will set some deadlines based on that  
11 information.

12 MS. CAPPELLINO: We'll certainly do that, your Honor.  
13 Thank you.

14 THE COURT: Good. Thank you very much. Thank you for  
15 working to narrow the list.

16 Are there any other issues that the parties would like  
17 to raise? I'd like to begin a conversation about the defense  
18 exhibits. Thank you, counsel for the United States, for your  
19 commentary.

20 Is there anything else that we should talk about  
21 before we begin a discussion of those issues? First --

22 MS. LONERGAN: No, your Honor.

23 THE COURT: Good. Thank you.

24 Counsel for Mr. Reichberg?

25 MS. NECHELES: Your Honor, I'm not going to seek to

IBTKGRA1

1 put in the email from Mr. Seabrook, the one that has -- I'll  
2 just seek to put in the pictures of these buildings.

3 With respect to the other evidence that I will be  
4 eliciting of wealth, I will not be putting in or asking about  
5 did you lie about this, I'm going to ask did you tell people  
6 this, to show what he was saying about his wealth. Because I  
7 want to make it really clear: I'm not putting this in to show  
8 that he's -- his specific acts to show he's a liar. I really  
9 am focused on the state of mind, of people believing -- well,  
10 now, the government has really mischaracterized my argument, I  
11 think, your Honor. I don't know how much you need to hear from  
12 me on it because I think you've already heard from me on it.

13 Clearly, Mr. Rechnitz now is saying that he  
14 specifically had discussions, explicit discussions, with  
15 Mr. Reichberg on that he said, we are giving this to Grant,  
16 explicit quid pro quo discussion. And I will cross him on that  
17 later in my cross, but, at this point, it's a step-by-step  
18 process, and one piece of evidence can't prove everything in  
19 the case.

20 So combined, I believe that I will have an argument to  
21 make to the jury at the end of the day, based on evidence that  
22 we will have elicited, that Mr. Rechnitz lied when he talked  
23 about these specific discussions, and that, in fact, there were  
24 no such specific discussions, there's no corroboration of that,  
25 and that, instead, it was all -- I believe that there were no

IBTKGRA1

1 explicit discussions. Given that, then it's a question of what  
2 would the people believe? What would the people who were  
3 involved in this believe? Would they believe that just because  
4 I got this, it must be a bribe? Because he's giving me so  
5 much, it must be a bribe. Sort of like one of the witnesses  
6 who testified from the licensing division where the government  
7 elicited his testimony that, well, you got gifts of flights and  
8 meals, and you realized -- and vacations, and you came to  
9 realize that was a bribe? And he said, yes, because I put the  
10 two things together, it was a fancy expensive thing, and then I  
11 got asked for something. So that is an argument that the  
12 government could make, and I want to show that here, that it  
13 didn't rise to that because things were not linked, and on  
14 their own, they didn't seem like crazy expenditures by someone.  
15 If someone gives you a million dollars, you think, wow, it's a  
16 million dollars, you know, Susan Necheles gave me a million  
17 dollars. Wow, why is she doing that? But if a person is a  
18 billionaire, that's a different thing.

19 So it's not that someone who's rich can give bribes.  
20 That's not at all my argument.

21 THE COURT: Thank you.

22 Can I just ask: My understanding is that it goes to  
23 an argument of corrupt intent, and that your big-shot argument  
24 goes to arguably a question of whether or not they're seeking  
25 official action as opposed to just looking like big shots.

IBTKGRA1

1 MS. NECHELES: Or big macher, as you said yesterday,  
2 your Honor.

3 THE COURT: Thank you.

4 That's why you said the government's argument is off  
5 point, and that you are not asserting that a thing of value is  
6 not a thing of value because it's given by a wealthy person as  
7 opposed to someone of lesser means.

8 MS. NECHELES: Thank you, your Honor.

9 THE COURT: Thank you.

10 So, counsel for the United States, I understand that  
11 the specific issue that we had teed up yesterday is not on the  
12 table. That's 2081. Instead, counsel for Mr. Reichberg seeks  
13 to bring in images of the buildings, presumably to show that  
14 they are not single family residences. I should ask for your  
15 views regarding that.

16 And then I want to ask, Ms. Necheles, whether you  
17 expect to get to any of the other issues that were raised in  
18 the government's letter, particularly the question of whether  
19 or not the tax and securities fraud theory has a good-faith  
20 basis.

21 MS. NECHELES: So I think I will get to the whole  
22 lease issue, your Honor. To be clear, this person perjured  
23 himself at the first trial. He testified directly opposite of  
24 what he testified here today, and I will be asking him whether  
25 he perjured himself at the first trial to hide because he had

IBTKGRA1

1 not told the government about his tax fraud. The government's  
2 right, he told them about other things, but he didn't tell them  
3 about the tax fraud, and he continued to commit tax fraud after  
4 he had started cooperating.

5 So I will be asking him about that. It is certainly a  
6 fair question to be asking. It goes to directly to their  
7 statements.

8 THE COURT: Thank you.

9 Can I pause you. I understand that you assert that  
10 this goes to the issue of bias and also --

11 MS. NECHELES: Motive.

12 THE COURT: -- to show motive, bias here to  
13 manufacture -- allegedly manufacture a story. What's your  
14 proffer regarding the basis in good faith for this line of  
15 inquiry?

16 MS. NECHELES: Okay. So, your Honor, he has admitted  
17 previously, and he admitted on direct, that he had this person,  
18 Nissen, who was paying his commissions, that he was paying his  
19 commissions by paying credit cards. He did not tell that to  
20 the government when he started cooperating. That first came  
21 out in the cross-examination on the first trial he testified.  
22 And, in fact, when Mr. Bell asked on direct examination, did  
23 you tell us this, did you -- all these things, he didn't talk  
24 about the tax. He didn't talk about, did you tell us at first  
25 about the credit card, that he was paying the credit card, and

IBTKGRA1

1 he didn't tell him. I'll go through the 302s, he didn't tell  
2 them this at first, and he continued to get his credit card  
3 payments paid even after he was cooperating.

4 Your Honor, when you look at the tapes and go through  
5 the tapes, which I intend to do with this witness, when you go  
6 through the tapes, you see that what he is talking --

7 THE COURT: I'm sorry. Tapes of Mr. Rechnitz?

8 MS. NECHELES: Mr. Rechnitz at the time, after the IAB  
9 comes, which the government made a big deal about it, after the  
10 IAB came, you were scared, you lied to them, and you then ran  
11 around telling everybody to cooperate, and you did that with  
12 Mr. Reichberg, and the reason you did it was because you knew  
13 you were corrupting cops. Well, when you actually look at the  
14 tapes and go through them, he's not worried about the cops. He  
15 says, I'm not worried about Peralta, or the police, or the IAB,  
16 and he starts getting worried when they start going to his  
17 investors, and they're talking -- and especially when they go  
18 to Nissen. And he says to a lawyer that he is talking to with  
19 his father on the phone, he says, you know, this person, this  
20 is extremely important to me, it's a profitable relationship  
21 that I have, I've made a lot of money, and he has. He's made  
22 over \$9 million from this person. He hasn't admitted that yet,  
23 but I think he will today. He has made over \$9 million in  
24 commission that he didn't pay taxes on, and it continued after  
25 he was cooperating.



IBTKGRA1

1           So, your Honor, I think that that is a strong motive.  
2           He wanted to shut down the investigation on that.

3           THE COURT: Thank you.

4           Counsel for the United States, do you have an argument  
5           to support the contention that the theory lacks a basis, a  
6           good-faith basis, given the proffer by counsel for  
7           Mr. Reichberg?

8           MR. BELL: Yes, your Honor. For starters, I don't  
9           believe that there is a basis for Ms. Necheles' statement that  
10          Mr. Rechnitz perjured himself at his first trial, A, or lied to  
11          the government during his proffer sessions, B.

12          The following should be understood in order to  
13          appreciate the chain of facts: Mr. Rechnitz told us  
14          voluntarily, as the 302s for the May 2006 proffer sessions  
15          reflected, that he was -- 2016, I'm sorry, 2016 proffer  
16          sessions reflected, that he was involved with Mr. Nissen, that  
17          he lured potential investors/lenders in under false pretenses,  
18          and that Nissen sometimes used these investor/lender funds for  
19          purposes other than -- oh, sorry, am I not coming through well,  
20          Judge?

21          THE COURT: I just asked Mr. Daniels to turn up your  
22          volume.

23          MR. BELL: Sure.

24          And that he was aware that Mr. Nissen, on a short-term  
25          basis, didn't use these funds for the purposes for which the

IBTKGRA1

1 investors had been told.

2 That's all information that Mr. Rechnitz  
3 volunteered -- volunteered -- during the very same proffer  
4 sessions in which he told about his various illegal activities  
5 committed with Mr. Reichberg, including with Mr. Seabrook,  
6 including in the political realm, and including with the police  
7 officers.

8 Ms. Necheles charges, in her correspondence, that  
9 Mr. Nissen was involved in a tax fraud, securities fraud scheme  
10 with Mr. Rechnitz, and I assume that the securities fraud  
11 scheme has to do with the fact that National Event Company,  
12 Mr. Nissen's company, was ultimately discovered to be a Ponzi  
13 scheme. The Court should appreciate the timing of that. That  
14 is something that the government learned about, and that we  
15 believe, based on our investigation, Mr. Rechnitz was not aware  
16 of until well after his cooperation commenced. Mr. Nissen --  
17 I'll disclose this much: Mr. Nissen and his attorney came to  
18 the government when, as sometimes happens with Ponzi schemes,  
19 the roof caved in and something bad was going to happen in any  
20 event.

21 My understanding -- and Mr. Rechnitz's consistent  
22 expression to us throughout -- is that he learned about this  
23 once that activity -- once that contact became public, and  
24 Mr. Nissen was charged shortly thereafter.

25 The problem with what Ms. Necheles has said with

IBTKGRA1

1 respect to tax is that Mr. Rechnitz didn't actually lie about  
2 anything. He was asked at the first trial why it was that  
3 Mr. Nissen sometimes agreed to pay his credit card bill, and he  
4 said, we believe accurately, that he did so in order to  
5 essentially -- they arranged between themselves that  
6 Mr. Nissen -- that Mr. Rechnitz would allow for some late  
7 payments from Mr. Nissen, but that it was worth it in order to  
8 get his credit card bill paid on that schedule, a separate  
9 monthly due date schedule.

10 I want to be clear about this: The government has no  
11 reason to believe that that testimony was false. The  
12 government also believes that that is not the exclusive reason  
13 why Mr. Nissen and Mr. Rechnitz agreed -- or why, rather,  
14 Mr. Rechnitz was friendly to the prospect of having Mr. Nissen  
15 pay him on some occasions in that way, and that he appreciated  
16 that that's probably money that he wasn't going to, as a  
17 practical matter, have to pay taxes on.

18 There is no inconsistency with respect to his  
19 testimony. And after that was fleshed out at the first  
20 Seabrook trial, we brought that out in an even clearer fashion  
21 in the second Seabrook trial. That, too, is entirely  
22 consistent with Mr. Rechnitz's testimony yesterday.

23 THE COURT: Thank you.

24 MR. BELL: So the notion that there is some sort of  
25 perjury here is false. I want to be clear about this. We take

IBTKGRA1

1 that very, very seriously. Mr. Rechnitz is not to commit  
2 further crimes under his cooperation agreement. Lying under  
3 oath would constitute such a crime. This is not something that  
4 we believe has actually happened.

5 But with respect to the actual good-faith argument, I  
6 refer your Honor not only to the fact -- remember, we're  
7 talking about a good-faith argument for making a particular  
8 circuitous argument that Ms. Necheles has made. There are two  
9 issues that still, I think, ring out to undermine the notion  
10 that there's any good-faith basis at all. The first of these  
11 is, again, that Mr. Rechnitz actually admitted to his  
12 involvement with Jason Nissen at the same time that he admitted  
13 all of this other conduct, which itself facially undermines the  
14 notion that there was some sort of an attempt to use the  
15 Reichberg misconduct as a smokescreen to distract from the  
16 Nissen conduct.

17 But the second issue, your Honor, is that there is no  
18 basis in the actual evidence that Ms. Necheles proffers that  
19 leads, in a straightforward, linear fashion, to that  
20 conclusion. I was hoping that in providing a good-faith, and  
21 your Honor asking for a good-faith basis this morning, that  
22 there would be more. What these are are these shards of other  
23 sorts of evidence that Ms. Necheles wants to get in for other  
24 reasons, cast into a particular shape that would allow her a  
25 pretext to do so. I think that your Honor has used the first

IBTKGRA1

1 of the tools that we have asked for in order to determine what  
2 weight to give this theory and how likely this line of  
3 questioning and the evidence that purportedly comes with it  
4 should be given, given its likelihood of leading to actual  
5 probative evidence.

6 Respectfully, Judge, it's not there. And, as always,  
7 if Ms. Necheles wants to question Mr. Rechnitz about his  
8 conduct with Mr. Nissen, that's fine, she can do so to her  
9 heart's content. This is something that came out on direct  
10 examination, it's well within the scope, but that doesn't lead  
11 to a proper evidentiary pathway to get the recordings in.  
12 That's the real issue here.

13 And, your Honor, respectfully -- and I don't mean to  
14 cast aspersions here -- but this sort of facially far-fetched  
15 theory suggests something of a pretext for getting in evidence  
16 that otherwise would not be admissible under the rules on  
17 cross-examination.

18 MS. NECHELES: Judge, can I just --

19 THE COURT: Thank you.

20 I'm sorry. Let me pause you just for a moment. I do  
21 want to start with the jury momentarily, so I want to address  
22 the buildings and the other issue.

23 I've been focused on the broader line of  
24 cross-examination regarding the alleged tax and securities  
25 fraud theory. The parties obviously know the facts of the case

IBTKGRA1

1 much better than I do, but based on the defendants' proffer  
2 regarding the evidence that the defense has seen on this topic,  
3 I can't conclude that the theory lacks a basis in good faith,  
4 such that she cannot inquire about what is an issue that goes  
5 to potential bias on behalf of the witness that might lead him  
6 to manufacture evidence or to lie to the government. I think  
7 that that's a proper basis for cross-examination, and I can't  
8 conclude that it lacks a good-faith basis. And, indeed, it  
9 appears, from Ms. Necheles' proffer, that there is evidence  
10 that supports it.

11 So I'd like to pivot briefly to the recordings, which  
12 was the focus of Mr. Bell's last set of comments, because I  
13 wasn't focused on that in particular, but the government is.

14 Ms. Necheles, can you comment on those?

15 MS. NECHELES: There are various groups of the tapes.  
16 What I'm going to be dealing with today is the tapes that --  
17 the government played some tapes yesterday and asked a lot of  
18 questions about what was going on at the time of the IAB  
19 investigation. And I think in our letter last night, we gave  
20 your Honor the citations to the pages in the record, and they  
21 repeatedly asked these questions and suggested that  
22 Mr. Rechnitz had lied, and that he had conspired. That wasn't  
23 a suggestion, it was outright: Who did you do with this?  
24 Mr. Reichberg. They played part of one conversation with  
25 Mr. Reichberg and didn't play another conversation.

IBTKGRA1

1           During this whole time period, there is a series of  
2           conversations that go on, that go directly to the issue of  
3           Mr. Reichberg's state of mind. He's talking with his father,  
4           he's talking with -- I mean Mr. Rechnitz's state of mind, which  
5           is what the government asked about yesterday. And they  
6           suggested directly -- they kept eliciting this testimony.

7           THE COURT: I'm sorry. Just to be clear, you're  
8           talking about recordings with Rechnitz, not Reichberg?

9           MS. NECHELES: Yes, Rechnitz, not Mr. Reichberg.  
10          There are two sets. With Mr. Rechnitz, most of the tape that I  
11          will seek to play are with Mr. Rechnitz where Mr. Rechnitz is  
12          talking to a lot of people about what is his concern about the  
13          IAB. And I believe that these tapes show that he is not  
14          concerned about the police investigation. He tells  
15          Mr. Brafman, I'm not worried about that, I don't need a lawyer.

16          THE COURT: Thank you.

17          Counsel for the United States, what's the concern?  
18          You're talking about the Rechnitz recordings, as I understand  
19          it.

20          MS. LONERGAN: Your Honor, I guess I'm a little  
21          confused because, as I think as we kind of detailed in our  
22          letter last night, there are still hearsay rules. Even if  
23          we're not in 608(b), there are sill hearsay rules, and even if  
24          there is a purpose -- a potential purpose for the  
25          cross-examination, like a strategic reason to ask certain

IBTKGRA1

1 questions, it doesn't obviate the need to follow the hearsay  
2 rules. I think Ms. Necheles had previously focused on  
3 impeachment by contradiction. That doesn't get anything in for  
4 the truth.

5 So I think the issue would be that in order to get  
6 these recordings in -- because I think a lot of the arguments  
7 that Ms. Necheles has made to the Court this morning has to be  
8 that she's seeking to offer the recordings that he made for the  
9 truth of what was said in them, for the truth of what he was  
10 concerned about at the time. She says, he's going to say that  
11 he's not concerned about the police, and she thinks she wants  
12 to offer that for its truth, not just to contradict something  
13 that he's saying here.

14 So I think that there's still a hearsay issue about  
15 how those statements come in for their truth rather than just  
16 to contradict his testimony, if they, in fact, do contradict  
17 his testimony.

18 MS. NECHELES: Your Honor, I'm not offering them --  
19 I'm offering them for his state of mind. That is a hearsay  
20 exception. And they put his state of mind at that time in  
21 issue. They couldn't have done it more clearly. They made it  
22 into a big deal yesterday. They said he was concerned about  
23 the IAB investigation because he had to hide that he was  
24 corrupting cops. That's why he was concerned. And these tapes  
25 directly contradict that.



IBTKGRA1

1           Your Honor, there's a Supreme Court case, Chambers v.  
2           Mississippi, an old case, famous case, and what happens there  
3           is that the government makes an argument, and the defense has  
4           evidence that's hearsay that directly contradicts the  
5           government's argument, but it's not allowed in because they say  
6           it's not within the hearsay rule. And the Supreme Court said,  
7           you know, in a criminal case, you can't be overly technical  
8           about the hearsay rules. If something is reliable evidence,  
9           and it is exculpatory, it should be coming into evidence.

10           So I believe, under the hearsay rules, this comes in,  
11           but certainly the Court also has to look at whether it is  
12           reliable evidence. This is what the man was saying at the time  
13           was on his mind. I want to play these tapes to him, and he can  
14           say, no, I didn't mean that. He'll have a chance to be able to  
15           explain what was going on. I want to ask him questions about  
16           these tapes.

17           In addition, I would note, your Honor --

18           THE COURT: I'm sorry. Can I just ask the United  
19           States: Counsel, how does your view on this issue square with  
20           the position that the government took when we were talking  
21           about the hearsay statement issue when we were talking about  
22           the limiting instruction previously, the fact that the  
23           statement was made and that particular element of it? It was  
24           the subject of some conversation. The government took a  
25           position, with respect to that anticipated evidence, that such

IBTKGRA1

1 statements could come in to show the fact that the statement  
2 was made, and the government took the position that the fact  
3 that the statement was made was not being introduced for the  
4 truth of the matter. This is in that context.

5 How does your position here square with that position?

6 MS. LONERGAN: One moment?

7 THE COURT: Thank you.

8 (Pause)

9 MS. LONERGAN: So, your Honor, we continue to adhere  
10 to that is a rule. If a statement has probative value just  
11 because it was made, then that's not hearsay. But I think that  
12 the argument that Ms. Necheles has made today about how she  
13 wants to use the statements on the recording is not simply for  
14 the fact that he said it, but for the fact of that it is, in  
15 fact, his state of mind. It's not just that he -- I think what  
16 she's saying is, it's not just -- she wants to, in fact, argue,  
17 as she has said, that his state of mind was X, as it was on the  
18 recordings, not Y, as it was in his testimony.

19 But that is not just the fact that the statement was  
20 made. That means that he's actually speaking the truth when he  
21 says, I'm not concerned about something. Again, if there are  
22 statements that the witness makes that are relevant simply  
23 because he makes them, whether or not they are true, that is  
24 not a hearsay issue, your Honor.

25 THE COURT: Thank you.

IBTKGRA1

1 Counsel for the defense, are you introducing these  
2 statements to prove the truth of the matter asserted in each of  
3 the statements by the witness or by Mr. Rechnitz?

4 MS. NECHELES: Some of them, I am, your Honor. Some  
5 of them, I am saying that this was his state of mind at the  
6 time. So there are two hearsay rules I want --

7 THE COURT: Thank you.

8 You're looking at 803(3)?

9 MS. NECHELES: And also 803(1).

10 THE COURT: Thank you.

11 MS. NECHELES: He is describing what's going on then.

12 THE COURT: Thank you.

13 Counsel for the United States, 803(3), just to be  
14 clear, says that an exception to the hearsay rule is a  
15 statement of the declarant's then existing state of mind...

16 Why does that not apply here, given what you just  
17 described to me as being the purpose for which this is being  
18 introduced?

19 MS. LONERGAN: One moment, your Honor?

20 THE COURT: Thank you.

21 (Pause)

22 MS. LONERGAN: Your Honor, with respect to his -- like  
23 some statements, for example, Mr. Rechnitz's statement, if he  
24 says, just using an example, I'm not concerned, that may very  
25 well come in under the state of mind exception. We think,

IBTKGRA1

1     however, that these calls -- there's much more going on than  
2     that, so we just need to take a more piecemeal approach. As  
3     the Court is aware from hearing many of the recordings during  
4     trial, these recordings are often multiple -- they can be  
5     minutes or even longer, and so it may be that there are hearsay  
6     exceptions that apply to pieces of the calls, but not the calls  
7     in their entirety.

8             So we, essentially, reserve some of our arguments with  
9     respect to the calls in their entirety, and we can see -- I  
10    think we need to see in some sense how the questioning  
11    proceeds, what questions she asks, and how the  
12    cross-examination proceeds.

13            THE COURT: That's fine.

14            MS. LONERGAN: Your Honor, I know the Court wants to  
15    bring in the jury, and we do not want -- we want to be  
16    efficient with the jury's time, but we do think it might make  
17    sense if we could spend two minutes about the wealth argument  
18    because I think it's going to cover a lot of the issues on  
19    cross-examination today as well.

20            I think the issue about Mr. Rechnitz's wealth is --  
21    it's not -- I think both parties are perhaps mistaking the  
22    other party's argument. I think the argument has to do with a  
23    thing of value has to have -- it's not about the wealth of the  
24    person who's giving the thing of value. If I can just use a  
25    real-world example for a moment, your Honor. This morning, I

IBTKGRA1

1 received a gift from NYU Law School because I went and helped  
2 out with their orientation, and it was a pen from Tiffany's,  
3 and that's clearly a more expensive gift than I am allowed to  
4 accept in my official position.

5 The fact that NYU happens to be a wealthy law school  
6 and has a large endowment has nothing to do with whether or not  
7 I can accept that gift, and if it was a poorer law school, that  
8 wouldn't change that gift. That gift has a particular value.

9 THE COURT: Thank you.

10 I am interrupting you. I apologize.

11 MS. LONERGAN: That's fine, your Honor. We  
12 understand.

13 THE COURT: I understand your argument, and as you can  
14 see from the charges, I don't disagree, I think, generally with  
15 your statement of the law.

16 As I understand it, the defense wants to bring in this  
17 evidence, in part, for the same reason that the government  
18 brought out the evidence about the diner meetings with the  
19 first witness. I understood -- and we discussed at sidebar  
20 then -- that part of the reason why that came in was to show  
21 that this is the kind of thing that friends do, cheap,  
22 inexpensive meals. Ms. Necheles wants to bring in the fact of  
23 Mr. Rechnitz's wealth, in part, to show the converse of what  
24 the government put on through the first witness; namely, that  
25 for wealthy people, they may, as a matter of course, take

IBTKGRA1

1 people out for more expensive meals, and that that fits into  
2 the kind of thing that would be perceived as friendship.

3 MS. LONERGAN: Your Honor, I think, though, that -- I  
4 understand the Court's argument, and I think that some of that  
5 may be permissible, but I have two additional points to make on  
6 that.

7 The first is: Mr. Rechnitz's spending on himself and  
8 on his family doesn't go to that point, in particular, if  
9 there's no evidence that the defendants knew about that. If  
10 they could show that these defendants have knowledge that  
11 Mr. Rechnitz spent tons of money on other friends, that may be  
12 a more targeted argument, but the fact that Mr. Rechnitz  
13 happens to himself fly private when he's going places with his  
14 family, I just don't understand how that goes to this argument,  
15 which is, is Mr. Rechnitz just a very beneficent person who  
16 bestows gifts on all sorts of people. His own personal  
17 spending isn't really relevant to that. Neither is his  
18 spending on other people of which these defendants are not  
19 aware.

20 So I think that there has to be that link to show --  
21 for example, if Mr. Rechnitz flew to China and bought some  
22 incredibly expensive gifts -- a million-dollar gift for someone  
23 in China, and the defendants don't know anything about it, that  
24 just can't be relevant to their state of mind, that  
25 Mr. Rechnitz, outside of their sphere of knowledge, spends a

IBTKGRA1

1 lot of money.

2 THE COURT: Thank you.

3 Counsel?

4 MS. LONERGAN: And --

5 MS. NECHELES: Your Honor, I agree that his spending  
6 on his family, taking his sons and his children on a private  
7 jet to Las Vegas -- I'm not asking questions about that.

8 THE COURT: Thank you.

9 I'm sorry. Counsel, are you linking this to the  
10 events of which the defendants might somehow have some  
11 knowledge?

12 MS. NECHELES: Some. But, in addition, the government  
13 elicited, on his direct examination, a lot of testimony  
14 about -- they specifically said, did you treat other friends  
15 that way, did you spend this kind of money on other people?  
16 And he said: No, I didn't. I would not spend money like that  
17 on friends; I only spent money like that for business. So I  
18 intend to put in evidence -- that will be the other evidence.  
19 I will have two categories: One, what the defendants knew and  
20 the so-called coconspirators, like what he told Norman  
21 Seabrook, or Phil Banks, or anything like that, what they call  
22 the inner circle; and, two, to show that their argument that he  
23 didn't spend money on other friends like this is false. His  
24 testimony that he didn't was false.

25 THE COURT: Thank you.

IBTKGRA1

1 Can I ask: The second category, I understand what it  
2 is that you expect to do there, or would like to do with  
3 respect to the category. Are you planning to limit yourself to  
4 inquiry about those issues, or are you also seeking to  
5 introduce specific evidence with respect to -- extrinsic  
6 evidence with respect to those issues?

7 MS. NECHELES: I am seeking to put extrinsic evidence  
8 in. They put in testimony. This goes to the heart. This is  
9 not to his credibility. It goes to the issue in this case  
10 where he says I would only pay that kind of money for a bribe.  
11 Now I have to show, no, you would -- he would pay that kind of  
12 money for just friendship. So we will be putting in --

13 THE COURT: Understood.

14 MS. NECHELES: Your Honor, the cite for that on the  
15 direct examination --

16 THE COURT: I recall the testimony.

17 MS. LONERGAN: Your Honor, if I just may raise one  
18 more kind of broad argument, and then I think we can hopefully  
19 bring in the jury. I think we also need to think a little bit  
20 about how much of this is permissible. Because, for example, I  
21 know a lot of this rests in testimony that we elicited from  
22 Mr. Oetting, it was two lines of questioning, and they were  
23 about Michael Harrington's personal experience, which really is  
24 still central to this charged conspiracy, and so I think that  
25 there just becomes at some point, to the extent that there is a



IBTKGRA1

1 permissible purpose, once we get to the 20th photo, there may  
2 become a cumulative or other sense of 403 arguments about --  
3 again, there may be a probative value at some point, but at  
4 some point, that may be outweighed by just it being cumulative.

5 Also, I think that also in that inquiry goes the kind  
6 of degree of connection to the charged conduct. If they  
7 believe that they can establish that Mr. Rechnitz said  
8 something on his direct testimony that was incorrect, and it  
9 doesn't match up with the evidence, they should do that, they  
10 can do that, but I think it would be laudable to try to keep it  
11 close to the facts of this case and the people in this case,  
12 particularly if they have 18 examples, that the examples that  
13 are closer here would mean that we can keep the testimony more  
14 focused on the charged conduct.

15 THE COURT: Thank you. I'll keep an eye on that.

16 MS. NECHELES: Your Honor, can I make one comment?

17 THE COURT: Please.

18 MS. NECHELES: The government called three witnesses  
19 to testify, including one who knew nothing about the facts --

20 THE COURT: That's fine.

21 MS. NECHELES: -- about the gun licenses.

22 THE COURT: That's fine. Thank you.

23 Let's get started. I appreciate the parties'  
24 presentation of these issues. It's enabled us to outline what  
25 proper parameters are. I'd like to begin with the jury.

IBTKGRA1

1 I don't, at this point, see a basis to support the  
2 objection to bringing in pictures of the buildings if it's  
3 quick. So let's begin.

4 MS. NECHELES: And, your Honor, while we're doing the  
5 cross-examination, although I don't think we'll get there  
6 quickly, there are some --

7 THE COURT: Can you please bring in the witness,  
8 counsel for the United States?

9 MS. NECHELES: There are some transcripts where I  
10 recognize they were too long, so I've edited them down. I've  
11 provided the edited-down copies to the government yesterday to  
12 try to hone in on what is the issues here. I will ask that I  
13 be able to pass those out to the jury at the time. They're not  
14 in our transcript book. Unfortunately, it's not a binder that  
15 we can put more things in, but I don't know we'll get there  
16 before lunch.

17 THE COURT: Can you show them on the screen,  
18 Ms. Necheles?

19 MS. NECHELES: We don't have the same capabilities  
20 that the government does, I think.

21 THE COURT: Thank you.

22 I'll ask that you try to do it in a way that is as  
23 undistracting as possible.

24 MS. NECHELES: I don't want to appear to be doing  
25 something improper. I might ask your Honor's assistance on

IBTKGRA1

1 this.

2 THE COURT: Thank you.

3 We will work together. Mr. Daniels can help.

4 MS. NECHELES: Thank you.

5 THE COURT: Mr. Daniels, please bring in the jury.

6 MS. NECHELES: And, your Honor, Ms. Cassidy is sitting  
7 over here to assist me.

8 THE COURT: In front of the bar?

9 MS. NECHELES: Yes, in front of the bar.

10 MS. LONERGAN: Your Honor, can we add one thing? I  
11 believe there's still a possibility of Ms. Cassidy being a  
12 witness in this case, and so I think there's --

13 THE COURT: I assume that's not happening or else  
14 Ms. Necheles would not be bringing her forward. Is that a fair  
15 assumption?

16 MS. NECHELES: Well, your Honor --

17 THE COURT: If it's not, I may agree with the United  
18 States.

19 MS. NECHELES: So, your Honor, maybe I can have her  
20 sit in the front row, if I could, because she's worked a lot  
21 with me on some of these issues, and --

22 THE COURT: That's fine.

23 MS. NECHELES: Thank you.

24 MS. LONERGAN: We have concerns with her consulting  
25 with Ms. Cassidy in front -- the jury is still going to see it.

IBTKGRA1

1 I don't know that it really matters if it's in front of the  
2 bar, behind the --

3 THE COURT: Thank you. I agree with that.

4 Ms. Necheles, I will ask, just in the event that you  
5 are leaving open the possibility that Ms. Cassidy may testify  
6 here, it may not be best for her to be so identified with the  
7 defense team. I had assumed that the request was based on a  
8 decision that Ms. Cassidy would not testify here, but I see  
9 that's unfounded.

10 MS. NECHELES: Thank you. I understand, your Honor.

11 THE COURT: Good. Thank you.

12 (Pause)

13 (Continued on next page)

IBTKGRA1

Rechnitz - Cross

1 (Jury present)

2 THE COURT: Thank you. Ladies and gentlemen, you can  
3 be seated.

4 First, good morning, ladies and gentlemen. Welcome  
5 back. Thank you very much for being here.

6 Mr. Rechnitz, I will remind you that you remain under  
7 oath.

8 Counsel for Mr. Reichberg, you can proceed.

9 MS. NECHELES: Thank you, your Honor. Good morning.

10 THE WITNESS: Good morning.

11 JONA RECHNITZ,

12 CROSS-EXAMINATION CONTINUED

13 BY MS. NECHELES:

14 Q. Sir, when we left off yesterday, I was asking you about  
15 whether you told Mr. Seabrook about that you owned three major  
16 office buildings in New York, correct?

17 A. That's correct.

18 Q. Am I correct that you did, right?

19 A. No. I told him I owned two office buildings.

20 Q. Well, let me see if something can refresh your  
21 recollection. If I can show you what has been marked as  
22 Defendant Reichberg Exhibit JR-2081.

23 Oh, I see you told him you owned two now and you used  
24 to own a third, right?

25 A. No. I told him I owned one and I used to own a second one.

IBTKGRA1

Rechnitz - Cross

1 Q. You say: I owned 23 Wall Street/15 Broad and used to own  
2 25 Broad. Is that what you told him?

3 A. Yes. I said I owned 23 Wall/15 Broad, which is one  
4 building with two addresses, and used to own 25 Broad. So it's  
5 two separate buildings.

6 Q. All right. So, sir, I want to show you what has been  
7 marked as JR-12102. Do you recognize that?

8 A. Yes. That's 25 Broad Street.

9 MS. NECHELES: I offer that in evidence, your Honor.

10 MR. BELL: No objection.

11 THE COURT: Thank you.

12 I'm accepting JR-12102 into evidence.

13 (Defendant's Exhibit 12102 received in evidence)

14 BY MS. NECHELES:

15 Q. That was one of the buildings --

16 MS. NECHELES: Oh, can we show it to the jury, your  
17 Honor?

18 THE COURT: You may.

19 MS. NECHELES: Thank you.

20 BY MS. NECHELES:

21 Q. That was one of the buildings that you told him that you  
22 owned, right?

23 A. I told him that's the second building that I used to own,  
24 yes.

25 Q. Well, you said, I owned 23 Wall/15 Broad, right?

IBTKGRA1

Rechnitz - Cross

1 A. Right.

2 Q. And used to own 25. So that's the one -- okay. You used  
3 to own 25 Broad Street, right?

4 A. That's right.

5 Q. So that's 25 Broad Street?

6 A. That's right.

7 Q. That's the one you said you used to own, right?

8 A. That's right.

9 Q. And if we could -- you could take a look at what has been  
10 marked as JR-12103. Do you recognize that building?

11 A. Yes.

12 Q. What is that?

13 A. That's an angle of 15 Broad/23 Wall and 35 Wall.

14 MS. NECHELES: I offer that in evidence, your Honor.

15 MR. BELL: We have no objection, your Honor.

16 THE COURT: Thank you.

17 I'm accepting JR-12103.

18 (Defendant's Exhibit JR-12103 received in evidence)

19 THE COURT: Counsel, I'll ask you to tell me if you  
20 have an objection.

21 MR. MERINGOLO: No objection.

22 THE COURT: Thank you.

23 Please proceed.

24 BY MS. NECHELES:

25 Q. That's the building you said you own, right?

IBTKGRA1

Rechnitz - Cross

1 A. Yes, the first building 15/23.

2 Q. A picture of that, in fact, is on your website, correct?

3 A. Yes.

4 Q. Under the word portfolio, right?

5 A. It used to be, yes.

6 Q. Well, it's not anymore?

7 A. I don't think so.

8 Q. Are you sure about that?

9 A. No. No, I'm not sure.

10 Q. You told him you owned that building, right?

11 A. That's what I said, yes.

12 Q. I want to show you what has been marked as JR-12104. See  
13 that?

14 A. I do.

15 Q. What's that?

16 A. That's the same property. That's 15 Broad/23 Wall/35 Wall.  
17 It's one building that connects into another.

18 MS. NECHELES: I offer that in evidence.

19 MR. BELL: We have no objection, your Honor.

20 THE COURT: Counsel?

21 MR. MERINGOLO: No objection.

22 THE COURT: Thank you.

23 I'm accepting JR-12104 into evidence.

24 You can proceed.

25 (Defendant's Exhibit JR-12104 received in evidence)



IBTKGRA1

Rechnitz - Cross

1 BY MS. NECHELES:

2 Q. So that is what you say is one building, the total  
3 building, right?

4 A. Yes.

5 Q. They're owned by two different owners now?

6 A. Yes. It was separated as a condominium.

7 Q. So when you say it's not two separate buildings, it is two  
8 separate owners at this point, right?

9 A. At this point, there's two separate owners, yes.

10 Q. And they have two separate addresses, right?

11 A. They have three separate addresses.

12 Q. But you said you owned all of that, right?

13 A. I did.

14 Q. You testified on direct that at the time you said that,  
15 really your employer owned it, right?

16 A. That's right.

17 Q. But that's not true, right?

18 A. No. What I said was my employer had owned the property,  
19 and then I managed it.

20 Q. You didn't own it when you said this, right?

21 A. No, I did not.

22 Q. And your employer didn't own it at that time either, right?

23 A. My employer had owned it and then sold it, and I got the  
24 management contract.

25 Q. All right. But that was not what you were telling

IBTKGRA1

Rechnitz - Cross

1 Mr. Seabrook, right?

2 A. Right. I lied to him.

3 Q. Am I correct that -- at this time Mr. Seabrook --

4 MS. NECHELES: You can take that down now. Thank you.

5 Q. -- Mr. Seabrook was the head of the correction officers  
6 union, right?

7 A. That's right.

8 Q. Am I correct that when you first met him, you wanted to  
9 become friends with him, right?

10 A. That's right.

11 Q. And the reason you wanted to become friends with  
12 Mr. Seabrook is so that you could have something that --  
13 another thing that no one else had access to, right?

14 A. Right.

15 Q. And those are your words, right?

16 A. That's right.

17 Q. What you said is you wanted access to a thing that no one  
18 else wanted to, right?

19 A. That's right.

20 Q. It was like you were collecting objects with people, right?

21 A. I'm not sure I understand --

22 Q. Well, when you said you wanted --

23 A. -- those words.

24 Q. -- access to things, that's like you were collecting  
25 something, a thing, right?

IBTKGRA1

Rechnitz - Cross

1 A. I'm not sure I know how to answer that. I was not  
2 collecting people, no.

3 Q. The reason you wanted to be close to him was because it  
4 would make you special, that no one else had access to him,  
5 right?

6 A. Yes.

7 Q. So you didn't care about him, you just wanted to use his  
8 status, right?

9 A. That's right.

10 Q. Another reason you wanted to be close to Mr. Seabrook was  
11 because he was close friends with Phil Banks, right?

12 A. Right.

13 Q. Again, you just wanted to use him, right?

14 A. Yes.

15 Q. And you pretended to be his friend, right?

16 A. That's right.

17 Q. The inner circle was -- you have testified, was Phil Banks,  
18 Seabrook, Harrington, Mr. Reichberg, and you, right?

19 A. That's right.

20 Q. And they were very close, right?

21 A. Yes.

22 Q. So when you were telling Mr. Seabrook that you owned these  
23 massive buildings, you expected the inner circle to know that,  
24 right?

25 A. Yes.

IBTKGRA1

Rechnitz - Cross

1 Q. And that was the impression that you were trying to create,  
2 right?

3 A. Yes.

4 Q. And if you owned those buildings, you would be a  
5 billionaire, right?

6 A. I would be a very wealthy man, yes.

7 Q. You also told the inner circle that you owned a yacht,  
8 right?

9 A. Right.

10 Q. And that was a total lie, also, right?

11 A. Yes, I lied.

12 Q. You offered them an afternoon out on the yacht, right?

13 A. Several of them, yes.

14 Q. And you told the company that -- and, in fact, you rented  
15 the yacht, right?

16 A. That's right.

17 Q. And you told the company that you rented the yacht from  
18 that it was very important that there not be any personal  
19 photos, items, or anything else that would indicate that the  
20 boat was rented, right?

21 A. Right.

22 Q. And the staff was to act as if you were the owner and to  
23 treat you as the owner, right?

24 A. That's correct.

25 Q. And those were your words, right?

IBTKGRA1

Rechnitz - Cross

1 A. Yes.

2 Q. And this was a total charade, right?

3 A. That's right.

4 Q. And it was all for the purpose of making the inner circle  
5 think you were extremely wealthy, right?

6 A. Yes, ma'am.

7 Q. And then you hung out with Mr. Banks, Mr. Seabrook, and  
8 Jeremy Reichberg on the yacht, right?

9 A. That's right.

10 Q. So I want to show you what has been marked as  
11 Exhibit 12204, JR-12204.

12 Do you recognize that picture?

13 A. Yes, I do.

14 Q. What is that?

15 A. This is a picture of the yacht.

16 Q. And who are the people there?

17 A. Norman Seabrook, Phil Banks, and I think some other family  
18 members of theirs.

19 Q. Is that you?

20 A. And me, yes.

21 MS. NECHELES: I offer that in evidence, your Honor.

22 MR. BELL: We have no objection, your Honor.

23 THE COURT: Thank you.

24 Counsel?

25 MR. MERINGOLO: No objection.

IBTKGRA1

Rechnitz - Cross

1 THE COURT: Thank you.

2 I'm accepting JR-12204 in evidence.

3 You can proceed.

4 (Defendant's Exhibit JR-12204 received in evidence)

5 MS. NECHELES: If we can publish that to the jury,  
6 your Honor?

7 THE COURT: You may.

8 BY MS. NECHELES:

9 Q. That is a picture of all of you on the yacht, right?

10 A. Most of us, yes.

11 Q. And you are lounging around, right?

12 A. Yes.

13 Q. And you were acting as if you really wanted to be friends,  
14 right?

15 A. Yes.

16 Q. Making them believe that you were their close friend,  
17 right?

18 A. With certain ones of them, I was friends, yes.

19 Q. You spent a lot of time with these men, didn't you?

20 A. Yes.

21 Q. Every week, you went to dinner for hours with them, right?

22 A. Yes.

23 Q. And you went on trips with them where you spent a lot of  
24 time with them, right?

25 A. Yes.

IBTKGRA1

Rechnitz - Cross

1 Q. And you hung out with them like this on a boat, right?

2 A. Right.

3 Q. More than one occasion, right?

4 A. Yes.

5 Q. And it all looked like you were their friend, right?

6 A. Yes.

7 Q. I want to just show you, also, Defense Exhibit JR-12205.

8 Well, withdrawn. I don't need to show that.

9 You also told Ross Offinger that you owned the hotel  
10 that he stayed in, right, and that you were comping him a free  
11 room, right?

12 A. Yes, I lied to him.

13 Q. He already had a hotel reservation, right?

14 A. Yes.

15 Q. At another hotel, right?

16 A. That's right.

17 Q. And he canceled that reservation to stay in the room  
18 because you said it's free, it's empty anyway, right?

19 A. I'm not sure why he decided to do what he did, but I  
20 offered him to put him up in another hotel.

21 Q. In one that you said you owned, right?

22 A. I believe that's what I said, yes.

23 Q. When you told the government about this at first, you  
24 didn't tell them that that's what you had told Mr. Offinger,  
25 did you?

IBTKGRA1

Rechnitz - Cross

1 A. I don't know at what point I told them that.

2 Q. Didn't you tell them this during the proffer session, that  
3 you had given a free hotel room to Mr. Offinger?

4 A. Yes, I did.

5 Q. And this went to the question of whether you had bribed  
6 Mr. Offinger, right?

7 MR. BELL: Objection, your Honor.

8 THE COURT: Thank you.

9 Can you rephrase?

10 BY MS. NECHELES:

11 Q. Well, sir, this was during a proffer session where they  
12 were asking you about crimes you had committed, right?

13 A. Yes.

14 Q. And one of the things you were saying is that you had  
15 committed -- you had bribed Mr. Offinger, right?

16 A. I'm not sure the verbiage I used, but I told them about my  
17 conduct, which was putting him up in a hotel for his personal  
18 vacation.

19 Q. Yes. And you didn't tell them that you lied to him and  
20 said it was a free room, right?

21 A. I told them at some point. I'm not sure when.

22 Q. But not at first, right?

23 A. Again, I'm not sure when I told them it, but I told them.

24 Q. You also told -- well, you told it to them after they found  
25 the email that said that, right?



IBTKGRA1

Rechnitz - Cross

1 A. Again --

2 MR. BELL: Objection, your Honor.

3 THE COURT: Thank you.

4 You can answer the question.

5 THE WITNESS: Again, I'm not sure at what point I told  
6 certain things to the government. There's been a lot of  
7 misconduct of mine. So, you know, as it comes to my mind, I've  
8 just told them the truth about what I've done.

9 BY MS. NECHELES:

10 Q. And you told Michael Harrington that you owned a hotel, and  
11 that he and his friends -- which he and his friends stayed in  
12 in Chicago, and that you were comping him the room, right?

13 A. Yes.

14 Q. And you also told Jimmy Grant that you owned the hotel in  
15 Rome where he was going to stay, right?

16 A. I believe that's what I said, yes.

17 Q. And you knew Mr. Grant also had -- already had a hotel  
18 reservation, right?

19 A. No. That's false.

20 Q. You didn't know that?

21 A. I don't think so. I know that I was asked by him via  
22 Jeremy to pay for his hotel stay, put him up, and he was  
23 expecting that.

24 Q. Is there a text or email about that?

25 A. I don't know.

IBTKGRA1

Rechnitz - Cross

1 Q. In fact, though, you pretended that it was -- you owned it,  
2 right?

3 A. I think that's correct.

4 Q. Well, you testified to that on direct, right?

5 A. Yes, I think that's what I said. I think that's correct.

6 Q. You said it was a luxurious hotel, right?

7 A. The most luxurious hotel is, I believe, what I wrote.

8 Q. You owned the most luxurious hotel in Rome, that's what you  
9 were saying, right?

10 A. Yes.

11 Q. And, sir, am I also correct that you lied and planted  
12 stories in newspapers to look like you were an incredibly  
13 successful, lucky, and rich person?

14 A. I don't think I planted stories to give me an image.

15 Q. Well, let me withdraw lie.

16 Did you plant stories saying you had won a lot of  
17 money at gambling and that you were giving it to charity?

18 A. Yes.

19 Q. You planted those stories, right?

20 MR. BELL: Objection.

21 THE COURT: Thank you.

22 You can answer the question.

23 THE WITNESS: Together with an individual, yes.

24 BY MS. NECHELES:

25 Q. Well, who was that individual? Tell me.

IBTKGRA1

Rechnitz - Cross

1 A. Jeremy.

2 Q. I see.

3 And the first story that you said that you had won all  
4 this money and were giving that money to charity, these were --  
5 what you said was you had won big bets when you were gambling,  
6 right? Super Bowl gambling, right?

7 A. I had said that I had -- if I remember correctly, I had won  
8 a bet, and that was the only bet I placed that year.

9 Q. Right. You did that twice, right?

10 A. Actually, I won three times in a row.

11 Q. Well, let me --

12 A. Three years in a row.

13 Q. Let me show you what has been marked as 12602. And if we  
14 could go to the next page, JR-12602, that is a picture of you  
15 and the article in TMZ about you winning this money, right?

16 A. Yes.

17 MS. NECHELES: I offer that in evidence, your Honor.

18 MR. MERINGOLO: No objection.

19 MR. BELL: Your Honor, we object.

20 THE COURT: Thank you.

21 Overruled. I accept it into evidence.

22 You can proceed.

23 (Defendants' Exhibit JR-12602 received in evidence)

24 MS. NECHELES: If we can publish that to the jury,  
25 your Honor?

IBTKGRA1

Rechnitz - Cross

1 THE COURT: You may.

2 BY MS. NECHELES:

3 Q. You testified on your direct examination about a safety bet  
4 in winning that; am I correct?

5 MS. NECHELES: Is this jury seeing this?

6 THE WITNESS: Yes, ma'am.

7 Q. And that's a picture of you holding a whole bunch of cash,  
8 right?

9 A. Yes.

10 Q. How did TMZ get that picture?

11 A. Jeremy took the photo, sent it to me, and I sent it in to  
12 TMZ through a friend.

13 Q. Do you have that, Jeremy sending you that picture?

14 MR. BELL: Objection.

15 THE COURT: Thank you.

16 You can answer the question.

17 THE WITNESS: Pardon?

18 Q. Do you have that text or email, Jeremy sending you that  
19 picture?

20 A. I think he took it from my phone.

21 Q. I see.

22 And this was -- if you look on the next page, this is  
23 a picture of the ticket, right?

24 A. That's right.

25 Q. At the MGM Grand?

IBTKGRA1

Rechnitz - Cross

1 A. Yes.

2 Q. And if you zoom in, it says that was February 5th, 2012,  
3 right?

4 A. Yes.

5 Q. That was the first time that you won on the safety, right?

6 A. That's right.

7 Q. That was not the year that the police went with you to Las  
8 Vegas, was it?

9 A. No. I went in 2013 --

10 Q. Right.

11 A. -- to Vegas.

12 Q. Okay. You think that it was in 2013 that you won the  
13 second time?

14 A. I won the second time in 2013, the last core safety, and  
15 in -- there were three years in a row. The Giants, I think it  
16 was Baltimore, and then I think it was a Denver game. I won  
17 that three years in a row.

18 Q. I see.

19 MS. NECHELES: Let's take that down, if we can.

20 And if we can look at Defense Exhibit 12603. If we  
21 could scroll down a page. Another page.

22 Q. That is the second article you planted in TMZ about winning  
23 a safety, right?

24 A. Yes.

25 MS. NECHELES: I offer that in evidence, your Honor.

IBTKGRA1

Rechnitz - Cross

1 MR. MERINGOLO: No objection, Judge.

2 MR. BELL: Objection; hearsay as to the text, your  
3 Honor.

4 THE COURT: Thank you.  
5 Counsel?

6 MS. NECHELES: Your Honor, I'm offering this for  
7 directly contradicting his testimony just now and to show what  
8 he was putting out there publicly.

9 THE COURT: Thank you.

10 Let's talk about this. I'm not going to accept it  
11 right now, but, counsel, you may be able to take up potential  
12 redactions.

13 MS. NECHELES: All right.

14 BY MS. NECHELES:

15 Q. Sir, if you take a look at that, does that refresh your  
16 recollection that you told TMZ that this was the second time  
17 that you had won this?

18 A. I recall telling TMZ I won two years, yes.

19 Q. In other words, you told TMZ that you had won in 2012, and  
20 now in 2014, this was the second time that you had won it,  
21 right?

22 MR. BELL: Objection; hearsay as to the text, your  
23 Honor.

24 THE COURT: Thank you.

25 Counsel, can you rephrase the question?

IBTKGRA1

Rechnitz - Cross

1 BY MS. NECHELES:

2 Q. Well, do you recall that?

3 A. Do I recall what?

4 Q. That that's what you said at the time?

5 A. I recall making a public statement that I only won twice,  
6 even though I won three times.

7 Q. And you were making a big deal about the fact -- look how  
8 lucky I am -- right?

9 A. Yes.

10 Q. And you were saying, like, look at this, lightning struck  
11 twice, I'm such a lucky guy and such a successful guy, right?

12 A. I put it out there to show that I was giving it to charity  
13 and that I won.

14 Q. And you had another picture of you holding cash, right?

15 A. Yes.

16 Q. Sir, it was important for you that the whole world know  
17 that you're giving it to charity, right?

18 A. Yes.

19 Q. Because you wanted to look like a big macher, right?

20 A. It was more because gambling is frowned upon, so I didn't  
21 want the image of a gambler because I knew that I had been  
22 gambling a lot.

23 Q. Sir, you went to Las Vegas all the time, right?

24 A. Yes.

25 Q. You sent millions of dollars in cash in Las Vegas, so that

IBTKGRA1

Rechnitz - Cross

1 you would look like a big macher, right?

2 A. No.

3 Q. You didn't send lots of money to Las Vegas?

4 A. I think you asked did I send millions of dollars. My  
5 answer is no.

6 Q. How much did you send?

7 A. I would say maybe hundreds of thousands or north of a  
8 million, but not millions.

9 Q. Well, we'll get back to that.

10 You're saying, with all that going to Las Vegas, you  
11 didn't want people to know you were a gambler?

12 A. That's right.

13 Q. So why did you plant two articles about this in the  
14 newspapers?

15 A. Because there were so many witnesses around that I won the  
16 bet, my friends from L.A., I knew it would get out, so I wanted  
17 to control the message.

18 Q. Well, there are so many witnesses who saw you going  
19 gambling every year, right?

20 A. No. It was just typically Jeremy and one other guy, Marco.

21 Q. And am I correct that that's the only people who were  
22 there? Is that what you said?

23 A. No. I think what you asked me was on my other gambling  
24 trips, who attended with me, so I said, for the most part, I  
25 believe it was just Jeremy and Marco. So there were not so



IBTKGRA1

Rechnitz - Cross

1 many witnesses around.

2 Q. I see.

3 Am I correct that in one of the articles that was  
4 published about this, you said that it was an annual tradition  
5 that you would go and gamble with your friends in the Super  
6 Bowl?

7 A. Yes.

8 Q. And you said it was an annual tradition that whoever won  
9 would then get -- won the bets would then pay for gifts for  
10 everybody else?

11 A. Yes.

12 Q. So when you're saying now that you didn't want people to  
13 know that you gambled a lot, you told the press at the time  
14 that it was an annual tradition that you went and gambled?

15 A. That's correct. Once a year is not a lot.

16 Q. But you wanted people to know you did this, right? You  
17 weren't ashamed of gambling?

18 A. I was ashamed of gambling. I was not ashamed of going to  
19 watch the Super Bowl and place bets on it.

20 Q. When you said that -- withdrawn.

21 (Continued on next page)

22

23

24

25

IBTTGRA2

Rechnitz - Cross

1 BY MS. NECHELES:

2 Q. I show you what has been marked as JR4004.

3 That's an email from you to Liz McKearnan at TMZ?

4 A. Yes.

5 Q. And attached is a photo. You sent the photo?

6 A. Yes.

7 MS. NECHELES: Your Honor, I offer that in evidence.

8 MR. MERINGOLO: No objection.

9 MR. BELL: No objection from the government, your

10 Honor.

11 THE COURT: Thank you. I'm accepting JR4004.

12 (Defendant's Exhibit JR4004 received in evidence)

13 THE COURT: You can proceed.

14 MS. NECHELES: If you publish the first page.

15 Q. And this is the email that is -- JR4004 is the email from  
16 you to the TMZ person, Liz McKearnan, and it attaches a photo  
17 and it's dated Monday, February 3rd, 2014, right?

18 A. Yes, ma'am.

19 Q. And that's the day after the Superbowl?

20 A. I believe so, yes.

21 Q. And am I correct the Superbowl is almost always early  
22 February?

23 A. That's right.

24 Q. And if we look at the next page. That's the photo you  
25 sent, right?

IBTTGRA2

Rechnitz - Cross

1 A. Yes.

2 Q. Are you going to say that Jeremy took it again?

3 MR. BELL: Objection.

4 THE COURT: Thank you. Sustained.

5 Q. Well, did Mr. Reichberg take that?

6 A. No.

7 Q. And so even without his help, you sent this to TMZ, right?

8 A. That's right.

9 Q. And the email comes directly from you, right?

10 A. Yes.

11 Q. And you are posing for this picture, right?

12 A. Yes.

13 MS. NECHELES: And we can take that down.

14 Q. You told all these stories about the things you supposedly  
15 owned and the money you gave to charity to create an aura of  
16 being an incredibly rich and successful person, right?

17 A. Yes.

18 Q. This was not the only story you had out there about giving  
19 money to charity, right?

20 A. Right.

21 Q. You also caused another article to be published how you won  
22 a bet with Stuart Barr and all that money was going to charity,  
23 right?

24 A. Right.

25 Q. And that was supposedly at a Knicks game, right?

IBTTGRA2

Rechnitz - Cross

1 A. Yes.

2 Q. Was that is true?

3 A. Yes.

4 Q. And you also would make very public donations of money a  
5 lot to charity, right?

6 A. Yes.

7 Q. And you did that all so that you would be thought of as a  
8 rich person to lots of people, right?

9 A. That was one of my main motives. I also give charity  
10 because I believe in giving charity.

11 Q. And that's part of the Jewish religion is that idea, right?

12 A. Yes.

13 Q. But it's part of the Jewish religion also is it should be  
14 done privately, right?

15 A. Actually no.

16 Q. No?

17 A. The Jewish religion has many different ways in which you  
18 could give charity and many laws.

19 Q. And you were asked on your direct examination whether  
20 during this time period you had friends who were not high level  
21 cops?

22 A. Yes.

23 Q. And you were asked whether some of these friends were  
24 closer than Mr. Reichberg and the other inner circle who you  
25 were bringing up to all these places and taking for meals. Do

IBTTGRA2

Rechnitz - Cross

1 you recall those questions?

2 A. Yes.

3 Q. And you said yes, some of them were closer, right?

4 A. Yes.

5 Q. And you were asked: Did you give your friends the same  
6 kind of gifts that you gave police officers?

7 Do you recall those questions?

8 A. Yes, I do.

9 Q. And you said no, I did not give my friends those kinds of  
10 gifts, right?

11 A. Right.

12 Q. So I want to take a look at the types of things you gave  
13 police officers and the types of things you gave other people  
14 during this time period, okay?

15 A. Okay.

16 Q. So you testified that you knew police officers on private  
17 jets, right?

18 A. That's right.

19 Q. But you took other people on private jets also, right?

20 A. That's right.

21 Q. And so for example you took -- you often took Jeremy  
22 Reichberg on private jets, right?

23 A. Right.

24 Q. And often there were no police officers there, right?

25 A. Right.

IBTTGRA2

Rechnitz - Cross

1 Q. And Jeremy Reichberg was not a police officer, right?

2 A. That's right.

3 Q. He was someone who was your friend, right?

4 A. That's right.

5 Q. And you also took Marco Franco on private jets, right?

6 A. That's right.

7 Q. And Marco Franco was not a police officer, right?

8 A. That's right.

9 Q. He was your friend, right?

10 A. Yes.

11 Q. And you took Ari Schwebel often on private jets, right?

12 A. Right.

13 Q. And he was not a police officer, right?

14 A. That's right.

15 Q. He was someone who you were friends with?

16 A. Yes.

17 Q. And you also -- and you took many other people also, right?

18 A. Yes.

19 Q. And that's because if you were flying a private jet  
20 somewhere, it had room for eight people, right?

21 A. That's right.

22 Q. It didn't cost you any more money to put another person on  
23 that plane, right?

24 A. Right.

25 Q. So if you were going somewhere, anywhere, you might as well

IBTTGRA2

Rechnitz - Cross

1 invite other people on the plane, right?

2 A. No, that's not my thought process. I was very calculating  
3 on who went, I took.

4 Q. And part of your calculation was you would take your  
5 friends along, right?

6 A. Yes.

7 Q. And on the Las Vegas trip that you testified about you were  
8 taking Marco Franco along, right?

9 A. That's right.

10 Q. Your friend, right?

11 A. Yes.

12 Q. And the people on that flight saw that, right?

13 A. Yes.

14 Q. And Mr. Reichberg saw you often taking friends along,  
15 right?

16 A. Yes.

17 Q. And you also testified that sometimes you paid for police  
18 officers to fly on public airplanes, right?

19 A. Yes.

20 Q. And you also paid for a lot of other people to fly on  
21 public airplanes, right?

22 A. That's right.

23 Q. And for example, if we take a look at JR12804, if we look  
24 at the front of that, do you recognize that to be a copy of  
25 your credit card statement?

IBTTGRA2

Rechnitz - Cross

1 A. This is it.

2 MS. NECHELES: I offer that in evidence, your Honor.

3 MR. BELL: Your Honor, we object to the inclusion of  
4 the entire document. We do not object to the relevant  
5 portions, maybe the subject of some sort of the subsequent  
6 redaction later on, but otherwise we do object to the  
7 admission.

8 THE COURT: Thank you, counsel. We'll work on  
9 redactions subsequently?

10 MS. NECHELES: Yes, your Honor.

11 MR. BELL: We do not know what the relevant portion  
12 is. Could we clarify on the record?

13 THE COURT: We'll take that up at sidebar. Please  
14 proceed.

15 BY MS. NECHELES:

16 Q. Directing your attention to page 17 --

17 A. Yes.

18 Q. -- do you recognize these as charges for Zachary Katz and  
19 Jamie Gellman for tickets?

20 A. Yes.

21 Q. Who are they?

22 A. Friends of mine.

23 MS. NECHELES: I offer that page in evidence, your  
24 Honor.

25 MR. MERINGOLO: No objection.



IBTTGRA2

Rechnitz - Cross

1 MR. BELL: Your Honor, those highlighted portions of  
2 the page the government has no objection to. Thank you.

3 MS. NECHELES: And the one right below as well, your  
4 Honor, I offer the page in evidence, your Honor.

5 THE COURT: Thank you.

6 Counsel, any concerns?

7 MR. BELL: We object to the page as a whole.

8 MS. NECHELES: I will go through further parts of the  
9 page, your Honor, I think it's all relevant.

10 THE COURT: Thank you. Let's take this up separately.  
11 I don't think I'll have an issue admitting portions.

12 MS. NECHELES: Could I ask the other parts and show  
13 the jury to show it's relevant?

14 THE COURT: Thank you, you can show the portions that  
15 have been highlighted.

16 MS. NECHELES: Your Honor, there are further parts I  
17 would ask about.

18 THE COURT: That's fine.

19 BY MS. NECHELES:

20 Q. Sir, further down, there's a charge to the Mondrian Hotel,  
21 is that correct?

22 A. Yes.

23 Q. That was for -- there's two charges, right?

24 A. I see those charges, yes.

25 Q. And that was for the stay for those people and yourself in

IBTTGRA2

Rechnitz - Cross

1 California?

2 A. I don't think so. I think the flights are from Los Angeles  
3 to Vegas, but the hotel stay is in Los Angeles, so I don't  
4 think I could be in both places at once.

5 Q. Could be correct.

6 A. Pardon?

7 Q. You could be correct.

8 And on 819, you had a charge -- okay, withdrawn.

9 MS. NECHELES: So if we could just show the top part,  
10 your Honor?

11 THE COURT: Thank you, the first three entries you  
12 may, and I will accept that page subject to redaction of the  
13 remainder of the page.

14 MR. BELL: Thank you, your Honor.

15 MS. NECHELES: Your Honor, we'll show it later.

16 BY MS. NECHELES:

17 Q. Now you could see it.

18 Those are the charges you were talking about, those  
19 highlighted portions?

20 A. Yes, ma'am.

21 Q. And you bought tickets for your friends to fly to Las  
22 Vegas, right?

23 A. That's right.

24 Q. And because you were their friend, right?

25 A. That's right.

IBTTGRA2

Rechnitz - Cross

1 Q. That was the kind of thing that you used to do, right?

2 A. This is something that I did for my friends, yes.

3 MS. NECHELES: And if we could turn to the next page  
4 just for the witness for a minute.

5 Withdrawn, your Honor.

6 If I could turn to page 14 of that document to show  
7 the witness.

8 Q. And if you look, directing your attention to the middle,  
9 it's another flight for Ari Schwebel, am I correct?

10 A. That's correct.

11 MS. NECHELES: And I offer that in evidence, your  
12 Honor.

13 MR. BELL: Your Honor, same objection as before.

14 THE COURT: Thank you.

15 MR. BELL: And limited in the same way as before.

16 THE COURT: Thank you, counsel, I'm happy to accept  
17 the entry.

18 BY MS. NECHELES:

19 Q. Sir, am I correct that that was a flight to -- from  
20 Atlanta, and that on the same date you had charges --

21 No, withdrawn.

22 MS. NECHELES: We'll put that in evidence.

23 THE COURT: Thank you. I'm accepting into evidence  
24 what I will describe as 12084A, which is that page, subject to  
25 the redactions that we just discussed.

IBTTGRA2

Rechnitz - Cross

1 (Defendant's Exhibit 12084A received in evidence)

2 THE WITNESS: Sorry, was there a question I didn't  
3 answer?

4 MS. NECHELES: No.

5 THE WITNESS: Okay.

6 MS. NECHELES: If I could publish that to the jury,  
7 your Honor?

8 THE COURT: You may.

9 BY MS. NECHELES:

10 Q. And that is another time that you're flying Ari Schwebel to  
11 Atlanta, right?

12 A. No, I think Delta Airlines does a charge, it's at Atlanta,  
13 and Ari was a work associate of mine, so he attended business  
14 trips with me and I paid for his flights.

15 Q. I see. Now he's a work associate, right?

16 MR. BELL: Objection, your Honor.

17 THE COURT: Thank you. Sustained.

18 Q. Well, what --

19 A. He's the vice president of --

20 THE COURT: Sorry, that was sustained. You need not  
21 respond.

22 Q. When you went to Vegas and gambled with him, was that  
23 because he was a work associate?

24 MR. BELL: Objection.

25 THE COURT: Thank you. You can answer the question.

IBTTGRA2

Rechnitz - Cross

1 A. It depends why we went. We used to go every May for a real  
2 estate conference called the ICSC, and I would bring him along  
3 so we could work, and at night I would gamble. I brought him  
4 along several times to the Superbowl, like as a little bonus  
5 for working so hard for the year, and because we were friends.  
6 If I had to do go other times for business, I would bring him  
7 along as well, but I paid for his travel at all times because  
8 he worked for me.

9 Q. But previously you said he was a friend and you paid for  
10 his travel on pleasure trips, right?

11 A. When you asked if he was my friend and I paid for his  
12 travel, my answer was yes.

13 Q. I want to move on. You testified that you took police  
14 officers out to dinner and to a fancy cigar bar often, right?

15 A. Yes.

16 Q. And that cigar bar was called the Grand Havana Club, right?

17 A. Yes.

18 Q. It was a very exclusive, fancy place, right?

19 A. That's right.

20 Q. Exclusive membership, right?

21 A. Yes.

22 Q. Limited to very wealthy people, right?

23 A. I don't know people's net worth. I know that there is a  
24 membership that's required to enter. I don't know how people  
25 get approved. They don't go through our financials, but --

IBTTGRA2

Rechnitz - Cross

1 Q. You have to apply, right?

2 A. Yes.

3 Q. And you have to be sponsored to be in it?

4 A. Yes, you have to be recommended by a current member.

5 Q. And lots of celebrities go there?

6 A. I believe so, yes.

7 Q. And you wanted to be a member because there was a certain  
8 prestige to be a member and go hang out and smoke cigars there,  
9 right?

10 A. Yes.

11 Q. Sort of a men's club, right?

12 A. It wasn't a men's club, everybody was welcome, men, women,  
13 all sexes.

14 Q. But you only went there with men, right?

15 A. No, that's not correct.

16 Q. But it cost thousands of dollars to join, right?

17 A. I think it costs well into \$2,000, membership to join,  
18 initiation fee.

19 Q. And every year you also have to pay thousands of dollars to  
20 be a member?

21 A. That's right. There's a minimal fee.

22 Q. And you spent thousands of dollars on cigars and meals for  
23 friends and people other than the police officers, right?

24 A. I don't think I spent thousands of dollars on other people.  
25 No, that's not correct.

IBTTGRA2

Rechnitz - Cross

1 Q. Can we take a look at JR12804, which is the same thing we  
2 have been looking at. And I direct your attention now to page  
3 14 of that, and I direct your attention to the middle, to the  
4 charge on 5/17/15.

5 Do you see that? It's a charge for the restaurant on  
6 the bottom, correct?

7 A. Where is that?

8 Q. Bottom.

9 A. Yes.

10 Q. And it's close to \$6,000, right?

11 A. That's right.

12 Q. That's for a time when you were no longer hanging out with  
13 police officers, right?

14 A. That's right.

15 MS. NECHELES: I offer that, your Honor.

16 MR. BELL: Your Honor, we would object for  
17 foundational reasons. I think a bit more has to be done there.

18 THE COURT: Counsel, could you please inquire.

19 Q. Is that for friends you were paying for?

20 A. No, that was a work event. That was for the ICSC  
21 conference in Las Vegas, which is a real estate/shopping center  
22 trip. I was there for the conference, for work.

23 Q. That was for -- who were you taking out for work?

24 A. I'm just looking at the date, so it refreshes my memory  
25 that's when the conference was. I don't remember the exact

IBTTGRA2

Rechnitz - Cross

1 group of people.

2 Q. But it was people that you were trying to impress, right?

3 A. Yes.

4 Q. And people who you were being friendly with, right?

5 A. Again, I don't remember who I took, but I know myself and  
6 going and treating people at the conference was important to me  
7 to give the image in business that I was strong and powerful.

8 Q. And you would be friendly with these people and take them  
9 out for big fancy meals, right?

10 A. Again, I can't answer. I don't remember the specific meal  
11 or who I took to the meal. I just don't remember who the crowd  
12 was.

13 MS. NECHELES: I offer that in evidence, your Honor.

14 MR. MERINGOLO: No objection.

15 MR. BELL: Your Honor, we object on relevance and  
16 foundation grounds related to the earlier articulated  
17 arguments.

18 THE COURT: Thank you. I will accept it subject to  
19 redactions as JR12084B, the single page with all else redacted.

20 You can proceed.

21 (Defendant's Exhibit JR12084B received in evidence)

22 MS. NECHELES: Could I show that to the jury?

23 THE COURT: You may.

24 BY MS. NECHELES:

25 Q. And that's clearly not for police officers, that entry,



IBTTGRA2

Rechnitz - Cross

1 correct?

2 A. Right, this was work associates.

3 Q. It was a \$6,000 meal that you were paying for, right?

4 A. Again, I'm not sure exactly if it was a meal or if it was a  
5 night out or if it was a work event.

6 Q. And that was the kind of thing that you would pay for,  
7 right?

8 A. Yes.

9 Q. And you would frequently pay for big events in Las Vegas or  
10 elsewhere for expensive items, for nights out, right?

11 A. Sorry, I can't hear you without the microphone.

12 Q. I apologize. You would frequently pay for expensive nights  
13 out in Vegas or other places, right?

14 A. Yes.

15 Q. And that was to make a big impression, right?

16 A. Again, there was different reasons each time. I can't make  
17 a generalization.

18 Q. I want to direct your attention to page 16 and to the  
19 middle entry, Grand Havana Room, Beverly Hills.

20 Do you see that?

21 A. Yes.

22 Q. And there was another -- the cigar club also had a place in  
23 California, right?

24 A. Yes.

25 Q. And that was not for a price that you were paying to take

IBTTGRA2

Rechnitz - Cross

1 police officers there, right?

2 A. I believe it was a contribution or donation, it says.

3 Q. Well, that wasn't what they would bill you, your annual  
4 cost, right, membership, right?

5 A. I'm not sure. I have been there for charity events, it may  
6 have been a charity donation.

7 Q. So you think it was a charity donation?

8 A. I'm not saying I think, I'm saying maybe. It may have been  
9 a membership fee, it may have been a donation.

10 Q. But sir, am I correct that you would go to Grand Havana  
11 Room in Beverly Hills?

12 Let's look at the next page.

13 A. Yes, you're correct. The membership is for all clubs, New  
14 York and Beverly Hills.

15 Q. I direct your attention to the next page, the entry there  
16 for the Grand Havana. That's also for California, right?

17 A. Yes.

18 Q. And that was not for police, right?

19 A. I don't think so. I think the date was after I was  
20 involved with cops. It may have been my membership, it may  
21 have been a donation or contribution is what its listed as.

22 Q. But you spent another \$1,200 there, right?

23 A. Again, I don't know what the charge was. It says  
24 contribution donation, I'm going to guess it was a donation for  
25 an event that I was at.

IBTTGRA2

Rechnitz - Cross

1 Q. For \$1,200, right?

2 A. That's right.

3 Q. And \$1,200 is the kind of donation you would give normally?

4 A. It depends for what. I can't generalize. I have different  
5 donations from \$50 all the way to \$100,000, depending on the  
6 cause or the passion we have for the cause.

7 Q. And just looking back, the other one was 9/1/15, and that  
8 was for \$3,900, right?

9 A. That's right.

10 Q. And also for Beverly Hills, California, right?

11 A. That's right.

12 Q. And that was after you were no longer hanging out with  
13 cops, is right?

14 A. That's right.

15 Q. And that was the cigar bar again, right?

16 A. Yes.

17 Q. And you testified, sir --

18 MS. NECHELES: We can take that down.

19 Q. -- that you took police officers to Las Vegas, right?

20 A. Yes.

21 Q. And that you stayed there in a lavish hotel suite and got  
22 incredible service from the hotel, right?

23 A. Yes.

24 Q. And you were being comped for all that, right?

25 A. I believe so.

IBTTGRA2

Rechnitz - Cross

1 Q. And that was because you had spent so much money there,  
2 right?

3 A. Yes, I had wired them before the trip, I think it was  
4 \$100,000.

5 Q. And you routinely wired them large sums of money, right?

6 A. That's right.

7 Q. Then you gambled there, right?

8 A. That's right.

9 Q. And I show you what has been marked as JR4104, which the  
10 government has stipulated are records of --

11 MS. NECHELES: And if I could read the stipulation,  
12 your Honor?

13 THE COURT: Thank you. What is the stipulation  
14 number, counsel?

15 MS. NECHELES: I'm sorry, your Honor, I'll need to  
16 pull that up.

17 THE COURT: That's fine.

18 MS. NECHELES: Stipulation number 1716, and your  
19 Honor, if I could read at that.

20 THE COURT: Please do.

21 MS. NECHELES: It is hereby stipulated and agreed by  
22 and between the United States of America, by Geoffrey Berman,  
23 United States Attorney for the Southern District of New York,  
24 Martin Bell, Jessica Lonergan, Kimberly Ravener, Assistant  
25 United States Attorneys, Jeremy Reichberg, by his attorney,

IBTTGRA2

Rechnitz - Cross

1 Susan Necheles, James Grant, by his attorneys John Meringolo  
2 and Anjelica Cappellino, Esq., if called as a witness a  
3 representative from MGM Grand Hotel LLC would testify as  
4 follows:

5 Documents marked with a control number within the  
6 range Reichberg 16446 through Reichberg 18082 contain true and  
7 correct copies of records kept by MGM Grand Hotel LLC, the  
8 originals of which made at or near the time of the act, event  
9 or condition recorded by or from information transmitted by a  
10 person with knowledge that were kept in the regular course of  
11 regularly conducted activity of MGM Grand Hotel LLC, it having  
12 been the regular practice of MGM Grand Hotel LLC to make such  
13 exhibits. And Government Exhibits 928, 929 and 930 are true  
14 and correct copies of certain documents marked with control  
15 numbers set forth in paragraph 1A above.

16 It is further stipulated and agreed that the documents  
17 marked with control numbers set forth in paragraph 1 above  
18 consists of the records that constitute business records  
19 pursuant to rule 803.6 of the Federal Rules of Evidence, that  
20 is signed by Jessica Lonergan, Susan Necheles and Anjelica  
21 Cappellino as well.

22 And your Honor, I would offer in evidence JR4104,  
23 which are certain records from within those Bates stamped  
24 numbers.

25 MR. BELL: Your Honor, may we confer briefly with

IBTTGRA2

Rechnitz - Cross

1 Ms. Necheles?

2 THE COURT: Yes, you may.

3 And you are also offering, Ms. Necheles, Exhibit 1716,  
4 the stipulation itself?

5 MS. NECHELES: Yes, your Honor, thank you.

6 (Pause)

7 MR. BELL: Thank you, your Honor. With respect to the  
8 stipulation, the government has no objection. With respect to  
9 the remaining documents, we would, with the Court's permission,  
10 maintain our ability to seek appropriate redactions later on,  
11 but otherwise, not object, in the same way that we have handled  
12 the previous documents. Thank you.

13 That may be sufficient, your Honor, but I did want to  
14 note that.

15 MS. NECHELES: Your Honor, for now I'm just going to  
16 show him pages one and two, which I think are relevant.

17 THE COURT: Any concerns with respect to those,  
18 counsel for the United States?

19 MR. BELL: Your Honor, no objection to the bottom half  
20 of page 1, the entirety of page 2. We understand from  
21 Ms. Necheles that there will be an appropriate redaction done  
22 as to the top part of the first page.

23 THE COURT: Okay, proceed.

24 MS. NECHELES: If I could show that to the witness and  
25 the jury, your Honor.

IBTTGRA2

Rechnitz - Cross

1 THE COURT: I'm accepting into evidence Exhibit 1716  
2 and Exhibit JR4104, subject to appropriate reactions, including  
3 the one to page 1 that we just discussed.

4 Please proceed.

5 (Defendant's Exhibits 1716 and Exhibit JR4104 received  
6 in evidence)

7 BY MS. NECHELES:

8 Q. And this is an MGM -- by the stipulation, an MGM record,  
9 and you see at the top it says "comps," right?

10 A. It says comps, yes.

11 Q. That's your name there, Jona Rechnitz, M., right?

12 A. Yes.

13 Q. And listed below are a bunch of comps for the dates  
14 February 2nd, February 3rd and February 4th, right?

15 A. That's what it appears to be.

16 Q. And sir, well, you heard this is a business record from the  
17 casino, right?

18 A. Yes, I just have never seen the document before. Trying to  
19 look at it quickly.

20 Q. And the first entry is for Skyloft room services, right?

21 A. Skyloft room service tax is the first one that I'm looking  
22 at.

23 Q. And it lists a whole bunch of entries going down, right,  
24 including rooms, right, some of them are voided, correct, if  
25 you look in the one, two, three, fourth column, right?

IBTTGRA2

Rechnitz - Cross

1 A. I'm not sure I follow.

2 Q. Okay. The one I referred to at first, it's the first  
3 entry, if you go to the one, two, three, fourth column, it  
4 actually says voided, right?

5 A. Which charge? Room, Skyloft room service tax?

6 Q. Yes, says voided.

7 A. Yes, I see voided.

8 Q. But if you go down to -- go down that fourth column, some  
9 say "system redeemed," right?

10 A. Yes, I see that.

11 Q. And you have an MGM room that says system redeemed, right?

12 A. Yes.

13 Q. Then you have further down you have other MGM rooms and  
14 Skyloft room services where they say system redeemed, right?

15 A. Yes.

16 Q. And you have a number of room service charges, right?

17 A. Yes.

18 Q. And you have sports bar food, correct?

19 A. I see that.

20 Q. And you see also the promo chip --

21 A. Incentive, promo chip incentive, yes.

22 Q. If we go to the next page, everything on that page is  
23 charges for that time period, for February 4th, 2013, right?

24 A. Yes.

25 Q. And includes spa service, right?



IBTTGRA2

Rechnitz - Cross

1 A. Yes, all charges.

2 Q. And cafe, food in the cafe, right?

3 A. Yes.

4 Q. And everything -- and some of them are voided, correct?

5 A. Some say voided, some say system redeemed, yes.

6 Q. And they're all comped, right?

7 A. Again, I don't know.

8 Q. Okay. Well, that's what it says.

9 A. I do recall asking them to comp all my guests on that trip.

10 Q. For everything?

11 A. Jeremy, Jimmy, everyone for any food they ate, anything  
12 they ordered, any messages they got should be comped.

13 Q. Everything you did was comped, right?

14 And you bragged about that, right?

15 A. It appears everything is comped, yes.

16 Q. I asked if you bragged about it to the people on that trip.

17 A. I don't remember, but it's very possible.

18 Q. Because you wanted them to know what a big macher you were,  
19 right?

20 A. That's correct.

21 Q. In fact, MGM Grand sent a car to pick you up from your  
22 private jet?

23 A. Yes.

24 Q. You looked like a really big deal, right?

25 A. Yes, ma'am.

IBTTGRA2

Rechnitz - Cross

1 Q. And that's exactly the impression you wanted to create,  
2 right?

3 A. That's right.

4 Q. And you told them that you were getting comped because you  
5 were such a big gambler, right?

6 A. I don't remember the reason, but that is something that I  
7 would say.

8 Q. Because you were weren't so embarrassed about gambling at  
9 that point, right?

10 A. Not to them.

11 Q. And you testified --

12 MS. NECHELES: We can take that down.

13 Q. You testified also that you sometimes gave tickets to  
14 sporting events to police officers, right?

15 A. That's right.

16 Q. And in fact, though, you spent tens of thousands of dollars  
17 on tickets that you took -- and for events that you took  
18 friends and business acquaintances to, right?

19 A. Yes.

20 Q. And for example, you had floor seats to basketball games,  
21 right?

22 A. That's right.

23 Q. And those were extremely prestigious, right?

24 A. Yes.

25 Q. And extremely expensive, right?

IBTTGRA2

Rechnitz - Cross

1 A. Right.

2 Q. And I just want to look at a few of those pictures of  
3 those. There is photos of all of them, right?

4 MR. BELL: Objection, your Honor.

5 THE COURT: Thank you. You can answer the question.

6 A. I'm not sure I understand. There's photos of every Knicks  
7 game.

8 Q. And photos that are taken of your seats at every Knicks  
9 game, right?

10 MR. BELL: Objection, your Honor.

11 THE COURT: Thank you. You can answer the question if  
12 you know the answer.

13 A. I don't know if there is photos at every single Knicks game  
14 I have been to.

15 Q. Didn't you testify previously that there's an app -- or did  
16 you tell the government there's an app which will provide a  
17 photo of every game of who was there in your seats?

18 A. I told the government that Getty Images takes photos of  
19 each game, and it's possible they can see who was in my seat at  
20 each game.

21 Q. And in fact, it is possible -- you have seen the pictures  
22 before, right?

23 MR. BELL: Objection, your Honor.

24 THE COURT: You can answer the question if you know.

25 A. Not for every game. I think you're asking me about every

IBTTGRA2

Rechnitz - Cross

1 game.

2 Q. Withdrawn every game.

3 There are photos of these, right?

4 A. Yes.

5 Q. And I want to direct your attention to some of them. I  
6 want to show you JR4050. Is that a picture from a game?

7 A. Yes, it is.

8 Q. And that's you?

9 A. That's me.

10 Q. Who are you with?

11 A. Shy Stern, and I'm giving five to Tyson Chandler.

12 MS. NECHELES: I offer that in evidence, your Honor.

13 MR. MERINGOLO: No objection.

14 MR. BELL: No objection, your Honor.

15 THE COURT: Thank you. I'm accepting Exhibit JR4050  
16 into evidence.

17 (Defendant's Exhibit JR4050 received in evidence)

18 MS. NECHELES: And we could publish that to the jury?

19 THE COURT: You may.

20 Q. And sir, who was that you said you were with, your friend?

21 A. A fellow named Shy Stern.

22 Q. Who is he?

23 A. Friend from Los Angeles who I had done some business with.

24 Q. And that game and those tickets cost you thousands of  
25 dollars, right?

IBTTGRA2

Rechnitz - Cross

1 A. \$6,800.

2 Q. \$6,800 to take your friend there, right?

3 A. That's right.

4 Q. And if I could now take that down and I direct your  
5 attention to JR4053, do you recognize that picture?

6 A. I do.

7 Q. What do you recognize it as?

8 A. I'm with my wife at the game.

9 Q. And you had four tickets, right?

10 A. Pardon me?

11 Q. You had four tickets?

12 A. No, that's me and my wife, no.

13 Q. But did you have four seat tickets?

14 A. No, I had seats 9 and 10, 12AA, two seats.

15 MS. NECHELES: I offer that in evidence.

16 MR. MERINGOLO: No objection.

17 MR. BELL: No objection.

18 THE COURT: Thank you. I'm accepting JR4053.

19 (Defendant's Exhibit JR4053 received in evidence)

20 MS. NECHELES: If we could publish that to the jury.

21 Q. That shows where your seats were, right?

22 A. That's where my seats were that night. I can count, if you  
23 like.

24 Q. Well, those are the seats that you had on the floor, right?

25 A. Let me just count one second, because I swapped a lot.

IBTTGRA2

Rechnitz - Cross

1           No, I think I had the seats to the left of me and I  
2 switched with them that evening.

3 Q. The seats were right next to those?

4 A. Yes.

5 Q. And you could go to as many games as you wanted, right?

6 A. I had tickets for half the season.

7 Q. For half the season, the other half Jason Nissen had?

8 A. Yes.

9 Q. And you often gave those seats away, right?

10 A. Which seats?

11 Q. Your tickets, if you couldn't go you gave them to other  
12 people?

13 A. Or I sold them. It depended what my motive was for the  
14 tickets for a specific game.

15 Q. But you would give them to people that you wanted to  
16 impress, right?

17 A. All different types of things. I would either sell them or  
18 give them to people I had done business with, or if there was a  
19 special occasion for friends. It was a substantial gift to  
20 make an impression.

21 Q. You would give them to friends, right?

22 A. No, I would go with friends unless there was a specific  
23 reason. I can't think of any incident.

24 Q. Well, if it were Shabbat and you had not sold them yet, you  
25 would give them away?

IBTTGRA2

Rechnitz - Cross

1 A. Yes, or I would sell them, yes.

2 Q. Or Friday afternoon --

3 A. Right.

4 Q. -- you would give tickets away that you hadn't sold?

5 A. I would either sell them or give it to somebody for  
6 business.

7 Q. Just to be clear, Shabbat starts Friday evening, right?

8 A. Right.

9 Q. So by Friday evening -- on Friday evening you would be not  
10 going out to an event, right?

11 A. I would not go to a game on Friday evening.

12 Q. You would go maybe to Shabbat dinner somewhere or some  
13 synagogue, but you would not be going out to a party or a  
14 restaurant or an event like this, correct?

15 A. I would not be going to a basketball game on Friday night.

16 Q. Or any sort of sporting event, right?

17 A. I would not be on a sporting event on a Friday night.

18 Q. So if you had tickets for a sporting event that was  
19 happening on a Friday night and you hadn't sold them by the  
20 afternoon, you would give them away, right?

21 A. Or earlier, depending on.

22 Q. And I want to show one final picture from this, and that  
23 would be picture 460 -- I'm sorry, 4059.

24 Do you recognize that picture?

25 A. I do.

IBTTGRA2

Rechnitz - Cross

1 Q. Who is that?

2 A. I'm sitting there with the vice president of my company,  
3 Ari Schwebel.

4 MS. NECHELES: I offer that in evidence.

5 MR. MERINGOLO: No objection.

6 MR. BELL: No objection, Judge.

7 THE COURT: Thank you. I'm accepting 4059. You can  
8 proceed.

9 (Defendant's Exhibit 4059 received in evidence)

10 MS. NECHELES: If we could publish that to the jury.

11 THE COURT: You may.

12 BY MS. NECHELES:

13 Q. And this is not a business event, right?

14 A. It is.

15 Q. This is a business event, going to the game?

16 A. Yes.

17 Q. Why?

18 A. I would take Ari out when I figured he was working too hard  
19 and it was nice to take him for a night out. It was business  
20 and friendship mixed together.

21 Q. So it's your testimony that going to the Knicks and sitting  
22 on the floor is a business event, right?

23 MR. BELL: Objection, your Honor.

24 THE COURT: Thank you. You can answer the question.

25 A. Like I said, it's mixed, business and pleasure.



IBTTGRA2

Rechnitz - Cross

1 Q. And sir, I want to ask, you testified that -- withdrawn.

2 But that was common. We only looked at a few of them;  
3 there were many, many, many basketball games like this, right?

4 A. I think there was 41 or 42 home games a season.

5 Q. And you had 20 tickets then?

6 A. Then you take out Sabbath and holidays, yes.

7 Q. Because for Sabbath and holidays you would give them to  
8 somebody else or sell them, right?

9 A. Or I would sell them.

10 Q. But if it was not a good season, it might get hard to sell  
11 those tickets, right?

12 A. That's right.

13 Q. And sir, you also took friends and associates to music  
14 concerts, right -- wait, withdrawn.

15 I want to take a look at Government Exhibit 1043.

16 MS. NECHELES: That's in evidence, if I could show it  
17 to the witness and the jury, your Honor?

18 THE COURT: You may.

19 MS. NECHELES: Thank you.

20 Q. Sir, you were shown this on your direct examination, is  
21 that correct?

22 A. That's correct.

23 Q. And if we turn to next page, those were tickets to a  
24 basketball game?

25 A. That's correct.

IBTTGRA2

Rechnitz - Cross

1 Q. And they started Friday night at 7:30, right?

2 A. That's correct.

3 Q. And they were \$3,000 each?

4 A. That was the face value. I paid less, I believe.

5 Q. If you go back to the first page, you sent those to -- you  
6 email them to Marilyn Ozuna, right?

7 A. That's right.

8 Q. And you testified they were really for Phil Banks, right?

9 A. That's right.

10 Q. And sir, it was Friday, December 27 at 2:48 p.m. that you  
11 emailed those, right?

12 A. Yes.

13 Q. And those tickets were for Friday night, right?

14 A. That's right.

15 Q. And in December Shabbat starts by 5:00 p.m., right?

16 A. Yes.

17 Q. Earlier, maybe?

18 A. That's right.

19 Q. So by 2:48 you would be heading home, right, to get ready  
20 for Shabbat?

21 A. I don't know what I was doing that day.

22 Q. In general, that would be your practice, right?

23 A. No, I would show up usually last minute.

24 Q. You're a last minute -- that would be your practice, would  
25 be last minute?

IBTTGRA2

Rechnitz - Cross

1 A. Sorry, what?

2 Q. Your practice is to get there last minute?

3 A. I would generally walk in last minute for Shabbat.

4 Q. But that's pretty close to last minute already to be  
5 getting done with business?

6 A. No, my office was about ten minutes away from my house.

7 Q. So you had about two more house to get ready?

8 A. Depending when Shabbat started, I would have around two  
9 hours, approximately.

10 Q. And that's when you sent those tickets to Phil Banks,  
11 right?

12 A. Either I did or my assistant did from my computer, but yes.

13 Q. But you couldn't use those tickets anyway at that point,  
14 right?

15 A. I didn't have those seats, I bought them specially  
16 specifically for him.

17 Q. You bought them specially specifically for him and you sent  
18 them at the last minute like that?

19 A. Yes.

20 Q. I see. When did you buy them?

21 A. I don't remember the specific occasion, but I did not have  
22 Nets tickets, so a lot of time I would offer Philip Banks, who  
23 these tickets were for, tickets to an event, and he would tell  
24 me at the last minute. He was indecisive. He was also a  
25 last-minute guy.

IBTTGRA2

Rechnitz - Cross

1 Q. You testified a few minutes ago you bought them  
2 specifically for him. You don't have a specific recollection  
3 is what you're saying, right?

4 A. I specifically recall purchasing him Nets tickets.

5 Q. In general, you're saying?

6 A. Of course.

7 Q. You don't remember purchasing these?

8 A. There was only one or two occasions when I bought him Nets  
9 courtside.

10 Q. Okay. But you don't remember when that occurred, right?

11 A. I remember buying him two Nets courtside tickets.

12 Q. And it is true that this is right before Shabbat, for  
13 tickets that are for Shabbat, right?

14 MR. BELL: Objection, your Honor.

15 THE COURT: Thank you. You can answer the question.

16 A. At 2:48 p.m., assuming Shabbat is starting when you said,  
17 around 5:00, it's about two hours and twelve minutes before.

18 Q. You tell me what time Shabbat usually starts in December.

19 MR. BELL: Objection, your Honor.

20 THE COURT: Sustained.

21 Q. Sir, you also took friends and business associates to music  
22 concerts, right?

23 A. Yes.

24 Q. And you spent lavishly on that, right?

25 A. I only recall going to one concert in New York where I

IBTTGRA2

Rechnitz - Cross

1 rented a suite for a Beyoncé concert and took friends and  
2 business associates.

3 Q. Okay. And how much money did you spend on that?

4 A. It was a suite. I don't remember, but if I could recall,  
5 it was probably 10 to 20,000 for a suite price.

6 Q. I show you what has been marked as JR14027.

7 Do you recognize that?

8 A. I do. This is the concert I just spoke about.

9 Q. And this is a licensing agreement with the Barclay Center,  
10 right?

11 A. That's right.

12 Q. And that's between Barclay Center and yourself for a  
13 Beyoncé concert, right?

14 A. Yes.

15 MS. NECHELES: I offer that in evidence, your Honor.

16 MR. MERINGOLO: No objection.

17 MR. BELL: No objection, your Honor.

18 THE COURT: Thank you. I'm accepting JR14027 into  
19 evidence.

20 (Defendant's Exhibit JR14027 received in evidence)

21 THE COURT: You can proceed.

22 BY MS. NECHELES:

23 Q. Sir, that's for a Beyoncé concert on 12/19/2013, correct?

24 A. Yes.

25 Q. And that actually cost you \$21,500, right?

IBTTGRA2

Rechnitz - Cross

1 A. That's right.

2 Q. And that, you would agree with me, is a lavish expenditure,  
3 right?

4 A. Just a request, do you mind redacting my credit card number  
5 from the public?

6 Q. I will.

7 A. Thank you.

8 Q. Sorry. And you told people --

9 MS. NECHELES: We can take that down. Let me  
10 apologize for that?

11 THE WITNESS: Thank you.

12 Q. You told people that you were at a Beyoncé concert, right?

13 A. Yes.

14 Q. And you sent emails out from the concert, right?

15 A. Yes, and photos.

16 Q. And you sent that, for example, to Michael Weinberger?

17 A. Yes.

18 Q. And you were bragging about it, right?

19 A. I think that I was showing specific photos from the concert  
20 of certain business people who were there having a good time.

21 Q. You wanted people to know like how you were -- had this  
22 awesome suite for an awesome concert, right?

23 A. Yes.

24 Q. Not everybody gets to do that, right?

25 A. That's right.

IBTTGRA2

Rechnitz - Cross

1 Q. And you wanted people to know that you had the power and  
2 ability to do that, right?

3 A. I wouldn't use those words, I just wanted -- whoever I  
4 emailed, I had a purpose for emailing them.

5 Q. Michael Weinberger?

6 A. Yes.

7 Q. He was a good friend?

8 A. Yes.

9 Q. You wanted to impress him?

10 A. Yes.

11 Q. That was the kind of thing you did, right?

12 A. Yes.

13 Q. And when you took videos you often would send them out to  
14 people, right?

15 A. Yes.

16 Q. And like a lot of the videos we saw played on your direct  
17 examination, you took those to send out to other people, right?

18 A. I don't think that was my purpose.

19 Q. But you did send them out to other people, right?

20 A. Maybe some of them, I can't --

21 Q. Because you wanted people to see how impressive you are,  
22 right?

23 A. I had different reasons for different things. I can't  
24 generalize, I'm sorry.

25 Q. And sir, in addition to the gambling winnings that you gave

IBTTGRA2

Rechnitz - Cross

1 to charity, there were also Chabad dinners that you would give  
2 lots of money to, right?

3 A. Yes.

4 Q. You were honored at a big Chabad dinner?

5 A. I don't know.

6 Q. Just to be clear, Chabad is an organization, a Jewish  
7 organization that has a very open type of policy for synagogues  
8 and accepts lots of Jews in, is that correct?

9 A. They don't turn away any Jew.

10 Q. And they have a big center in midtown Manhattan, right?

11 A. Yes.

12 Q. And you would -- you were very involved in supporting that  
13 center, right?

14 A. I still am, yes.

15 Q. Very publicly, right?

16 A. No.

17 Q. Well, I am going to direct your attention then to what has  
18 been marked as JR14112.

19 MS. NECHELES: And if we could show that to the  
20 witness, your Honor.

21 THE COURT: You may.

22 Q. Do you recognize that photo?

23 A. It's not up on my screen.

24 MS. NECHELES: I'm sorry.

25 THE COURT: Thank you. You can go ahead.



IBTTGRA2

Rechnitz - Cross

1 A. I do. It's a photo of the dinner.

2 MS. NECHELES: And if I could pass these up to your  
3 Honor?

4 THE COURT: Please do.

5 Thank you, go ahead.

6 BY MS. NECHELES:

7 Q. And you recognize that, sir?

8 A. Yes, I do.

9 Q. What do you recognize it as?

10 A. A photo of the dinner, my table.

11 Q. And sir, that was at the Chabad dinner?

12 A. Yes.

13 MS. NECHELES: I offer that in evidence.

14 MR. MERINGOLO: No objection.

15 MR. BELL: We would object, your Honor, for relevance  
16 and reasons, potentially among others.

17 THE COURT: Thank you. Overruled. I'll accept  
18 JR14112. You can proceed.

19 (Defendant's Exhibit JR14112 received in evidence)

20 MS. NECHELES: If I could show that to the jury, your  
21 Honor.

22 THE COURT: You may.

23 Q. And sir, that's a table you took -- that's a picture of a  
24 table you took at a dinner that was honoring you, right?

25 A. No.

IBTTGRA2

Rechnitz - Cross

1 Q. What is it?

2 A. I was not honored at the dinner.

3 Q. You were not. But were you one of the sponsors, is that  
4 what it was?

5 A. I was a big donor of the center, I still am, and it's a  
6 table that I was given for the event.

7 Q. And you took a bunch of people to that dinner, right?

8 A. Yes, I filled the table.

9 Q. And can you tell us who is there with you?

10 A. Should I go left to right.

11 Q. Okay.

12 A. Philip Banks, Jeremy Reichberg, Ari Schwebel.

13 I'm not sure if minors are not --

14 Q. I took the pictures of the minors out, didn't I?

15 A. I think the two next may be.

16 Q. Are they still in the picture?

17 A. The woman to the right of Ari Schwebel I believe is a  
18 minor.

19 Q. Let's skip her name.

20 A. Okay.

21 Q. Who else is there?

22 A. Next to her are two people that Rabbi Metzger put at my  
23 table, I believe that's David Slager, I'm not sure who is next  
24 to him, and next to him is Norman Seabrook, and next to him is  
25 Moshe Leviev.

IBTTGRA2

Rechnitz - Cross

1 Q. And Moshe Leviev, is that Lev Leviev?

2 A. No.

3 Q. That's his brother?

4 A. Yes.

5 Q. And those were people who you wanted to impress, right, at  
6 this dinner, right?

7 A. People I wanted to bring to the dinner, yes.

8 Q. And you wanted to bring them because you wanted to impress,  
9 and also you wanted to be -- impress others to be seen with  
10 these people, right?

11 A. I brought them to Honor Rabbi Metzger and Chabad, thinking  
12 it would be good for him.

13 Q. And you thought it would be good for him to have Phil Banks  
14 and Norman Seabrook there, right?

15 A. As well as he also had known them from previous activities  
16 Jeremy and I performed.

17 Q. Okay. And I'm asking about your intentions, right?

18 A. Well, it was collective, it was me and Jeremy.

19 Q. You're saying Jeremy also decided to bring these people to  
20 this event?

21 A. Yes.

22 Q. Did Jeremy give lots of money to Chabad?

23 A. I'm not sure, I don't think so.

24 Q. No, he didn't.

25 MR. BELL: Objection, your Honor.

IBTTGRA2

Rechnitz - Cross

1 THE COURT: Sorry.

2 Q. I'm sorry, I meant that as a question.

3 THE COURT: Sorry, Mr. Rechnitz one moment.

4 MS. NECHELES: I withdraw that.

5 THE COURT: Could you please rephrase the question.

6 MS. NECHELES: Yes, I'm sorry.

7 BY MS. NECHELES:

8 Q. Sir, you liked to bring Mr. Banks and Mr. Seabrook to  
9 places to be seen publicly, right?

10 A. Again, depends. I can't generalize. If it would help the  
11 charity, I would bring them to a charitable cause, yes.

12 Q. And just to be clear, you knew there were photographs being  
13 taken here, right?

14 A. Yes.

15 Q. You weren't trying to hide that you were hanging out with  
16 Mr. Banks and Mr. Seabrook, right?

17 A. Right.

18 Q. It was a very public thing, right?

19 A. No, it was just the people in the room.

20 Q. That was the only time that you were in a public place that  
21 photographs were being taken of the two of you -- the three of  
22 you?

23 A. The three of them.

24 Q. You, Mr. Banks, Mr. Seabrook?

25 A. No, I believe I also took him to another charity event to

IBTTGRA2

Rechnitz - Cross

1 help the charity.

2 Q. And in fact, it was frequent that you would be seen  
3 publicly with them, right?

4 A. Yeah.

5 Q. Never tried to hide your association, did you?

6 A. No.

7 Q. You never tried to make this a secret thing that you were  
8 taking them out to all of these places, did you?

9 A. I did not.

10 MS. NECHELES: We can take that down.

11 Q. It was also important to you to be part of the Simon  
12 Wiesenthal Center, right?

13 A. Yes.

14 Q. And it was important to you because that was a very -- the  
15 board of that was very prestigious, right?

16 A. That was one of the reasons.

17 Q. And you thought they did good things, the Simon Weisenthal  
18 Center, right?

19 A. I think they do excellent work.

20 Q. But you also wanted to be on the board because the board  
21 had people who were wealthy and important, right?

22 A. That's right.

23 Q. And so you had sort of fundraisers or luncheons in your  
24 office for this event, for this charity, right?

25 A. Yes.

IBTTGRA2

Rechnitz - Cross

1 Q. And you had a professional photographer taking pictures of  
2 you there?

3 A. Yes.

4 Q. And I will show you what has been marked as JR14101.

5 Is that an example of one of those photographs?

6 A. Yes, that's one of the two luncheons I had in my office.

7 Q. You had two luncheons for this, right?

8 A. Yes.

9 MS. NECHELES: I offer that in evidence, your Honor.

10 MR. MERINGOLO: No objection.

11 MR. BELL: No objection, your Honor.

12 THE COURT: Thank you, I'm accepting JR14101 into  
13 evidence. You can proceed.

14 (Defendant's Exhibit JR14101 received in evidence)

15 Q. And sir, it's an extremely influential bunch there, right?

16 A. Yes.

17 Q. And you were the youngest person in the room, right?

18 A. That's right.

19 Q. And you really liked that, right?

20 You were proud that you were so young and at these big  
21 events, right?

22 A. Yes.

23 Q. And among the people that were on that board were Tommy  
24 Hilfiger, is that correct?

25 A. He's not on the board of the Wiesenthal Center, no.

IBTTGRA2

Rechnitz - Cross

1 Q. You would have him at these lunches?

2 A. He came to one of the lunches.

3 Q. And Murray Huberfeld?

4 A. Yes, he came to both lunches.

5 Q. Who else was in that room?

6 A. Guy Tanne, the CFO of Taly Diamonds that we spoke about  
7 yesterday; Paul Raps, the president of the Leviev store that we  
8 spoke about yesterday; Rabbi May, the executive director of the  
9 Weisenthal Center; Andrew Ratner, the vice president of the  
10 Feil Organization; Stuart Saft, an attorney at Holland &  
11 Knight; Shimon Shkury, the owner of Ariel Properties; Ari  
12 Schwebel, the vice president of JSR Capital; Tony Kurz from  
13 THHG Hospitality; Rabbi Hier, the dean and founder of the Simon  
14 Wiesenthal Center.

15 Q. And why were you taking professional photographs of this?

16 A. For the museum's benefit so they could use it in their  
17 brochure.

18 Q. Were you taking them so --

19 And you had up on the wall JSR Capital, right?

20 A. Yes.

21 Q. And were you doing that so that it would be known in the  
22 brochure and publicly seen that this was you hosting these  
23 lunches, right?

24 A. Yes.

25 Q. And at the second lunch you did the same thing, right?

IBTTGRA2

Rechnitz - Cross

1 A. Yes.

2 Q. And I want to just direct your attention to JR14107.

3 And that is the other lunch, right?

4 A. Yes, it is.

5 MS. NECHELES: And I offer that in evidence, your  
6 Honor.

7 MR. MERINGOLO: No objection.

8 MR. BELL: No objection, Judge.

9 A. Just a correction, this is not a lunch at the Wiesenthal  
10 Center.

11 Q. What is this?

12 A. This is the Chief Rabbi of Israel was visiting town, and we  
13 decided to do a luncheon in his honor at the time.

14 THE COURT: I'm accepting JR14107.

15 (Defendant's Exhibit JR14107 received in evidence)

16 THE COURT: Please proceed.

17 MR. BELL: Your Honor, regrettably, may we very  
18 briefly confer on this with Ms. Necheles?

19 THE COURT: Yes, please feel free.

20 (Pause)

21 MR. BELL: We have no objection, Judge, thank you.

22 THE COURT: Thank you. Again, I'm accepting JR14107  
23 into evidence. You can proceed.

24 MS. NECHELES: If we publish that to the jury, your  
25 Honor?



IBTTGRA2

Rechnitz - Cross

1 THE COURT: You may.

2 BY MS. NECHELES:

3 Q. Am I correct that, again, you were the youngest person in  
4 the room?

5 A. One of the youngest.

6 Q. And again, there were very influential and successful men  
7 in this room, right?

8 A. Yes.

9 Q. Tommy Hilfiger was there at this one?

10 A. No, he was not.

11 Q. Murray Huberfeld was there?

12 A. Yes.

13 Q. And other people, very wealthy people, right?

14 A. No.

15 Q. No?

16 A. No.

17 Q. Again, you had a professional photographer there?

18 A. Yes.

19 Q. An extremely prestigious think to have the Chief Rabbi from  
20 Israel come to you?

21 A. I believe so.

22 Q. In your community, that's what I meant, is that correct?

23 A. I believe anywhere.

24 Q. And you were very proud of it, right?

25 A. Yes.

IBTTGRA2

Rechnitz - Cross

1 Q. And you wanted people to know about it, right?

2 A. Yes.

3 Q. This was not for a brochure for something, right?

4 A. Right.

5 Q. This was for you to put those pictures out there, right?

6 A. No, I didn't put the pictures out, I did them to give to  
7 the rabbi.

8 Q. And you kept them, right?

9 A. Yes.

10 Q. And did you -- you provided these, you produced these to  
11 the defense in response to subpoena requests, right?

12 A. I don't know how they were obtained. I didn't deal with  
13 subpoenas, my attorneys did.

14 Q. And well, sir, when you say your attorneys, you had a drop  
15 box with photographs that you kept, right?

16 A. Yes.

17 Q. And so your attorneys would have to ask you about do you  
18 have photographs in here, right?

19 A. They asked about specific photos to produce.

20 Q. And you produced those to your attorneys, right?

21 A. Whatever I -- I don't know what was privileged or not, but  
22 whatever was asked of me and required, I did.

23 Q. And sir, finally, one last area, you -- in addition to all  
24 of these other things, you made sure people knew that you gave  
25 very lavish gifts to friends, right?

IBTTGRA2

Rechnitz - Cross

1 A. Again, I can't generalize. If there's a specific example,  
2 I could speak to it.

3 Q. That was part of your practice, right?

4 A. Again, I can't generalize.

5 Q. Well, let me direct your attention to JR12604.

6 And directing your attention to the bottom, I want to  
7 ask whether you -- am I correct that you told reporters and  
8 caused an article to be published where you said that you had a  
9 tradition as a big winner on Superbowl night as responsible for  
10 purchasing your entire group of friends matching sports gear or  
11 apparel?

12 A. Yes, we bought sneakers.

13 Q. I'm asking you whether you told that to be published in a  
14 newspaper, right?

15 A. I don't remember saying it.

16 Q. Well, it doesn't refresh your recollection that you told  
17 that to be publicly done?

18 A. No.

19 Q. Do you have any doubt that you did that?

20 MR. BELL: Objection, your Honor.

21 THE COURT: Thank you. You can answer the question.

22 A. Again, I purchased sneakers for everybody.

23 Q. I'm asking whether you have any doubt that you caused that  
24 to be published in a newspaper, that fact to be published.

25 A. Again, I'm not sure.

IBTTGRA2

Rechnitz - Cross

1 Q. And sir, you did in fact have that tradition, right?

2 A. Which tradition?

3 Q. Of going and buying sporting apparel or something for the  
4 whole group, whoever -- bought it for the whole group, right?

5 A. If I win the safety bet, the tradition was, because it  
6 happened three years in a row, buy sneakers for the whole  
7 group.

8 Q. And sir, am I correct that a video was made by you and your  
9 friends celebrating you having done that?

10 A. Several videos and photos were made.

11 Q. And I want to direct your attention to JR4007, and I want  
12 to show you a little bit to see if you recognize that.

13 Do you recognize that as a video of being you and your  
14 friends in the store?

15 A. Yes, I do.

16 MS. NECHELES: Offer that in evidence, your Honor.

17 MR. MERINGOLO: No objection.

18 MR. BELL: No objection.

19 THE COURT: Thank you. I'm accepting JR4007 into  
20 evidence.

21 (Defendant's Exhibit 4007 received in evidence)

22 THE COURT: You can proceed.

23 MS. NECHELES: Can we publish that to the jury, your  
24 Honor?

25 THE COURT: You may.

IBTTGRA2

Rechnitz - Cross

1 MS. NECHELES: Thank you.

2 (Video recording played)

3 BY MS. NECHELES:

4 Q. That was kind of video you took with your friends, right?

5 A. That's a video I took with my friends, right.

6 Q. And you guys were having fun, right?

7 A. That's right.

8 Q. And you were celebrating you won this big win, right?

9 A. Yes.

10 Q. And you bought all your friends sneakers, right?

11 A. That's right.

12 Q. And sneakers are not cheap, right?

13 A. Depends what sneaker, what brand. I don't know how to  
14 answer that question.

15 Q. It wasn't much for you, right?

16 A. Again, from the winnings I made of \$50,000, it was not much  
17 to buy everybody sneakers.

18 Q. Because \$50,000 didn't mean so much to you, right?

19 MR. BELL: Objection, your Honor.

20 THE COURT: Thank you. Sustained.

21 Q. Well, the cost of sneakers can't mean that much to you,  
22 right?

23 A. I'll make a correction. I said from the winnings, I meant  
24 compared to the winnings I made. I donated the 50,000 to  
25 charity and paid for the sneakers.

IBTTGRA2

Rechnitz - Cross

1 Q. The sneakers came out of your pocket.

2 A. Pardon?

3 Q. The sneaker cost came out of your pocket.

4 A. Yes.

5 Q. But not significant, right?

6 A. Pardon?

7 Q. Not significant, right?

8 MR. BELL: Objection, your Honor.

9 THE COURT: Thank you. You can answer the question.

10 A. I don't remember how much it was, but every dollar counts.

11 Q. And sir, just finally, one of the lavish gifts that you  
12 gave to friends was that you paid for the Sheva Brachot for  
13 Mr. Reichberg's daughter, right?

14 A. Yes.

15 Q. And am I correct that that -- and Sheva Brachot, that is a  
16 dinner that is held after a wedding, right?

17 A. That's right.

18 Q. And it is a custom in the Jewish community to have -- in  
19 the Orthodox community to have seven nights -- a dinner for  
20 seven nights afterwards, right?

21 A. That's right.

22 Q. And what does Sheva Brachot mean?

23 What do those words mean?

24 A. At the Jewish ceremony there are seven blessings that are  
25 made under the chuppa, which is the tarp where the couple are

IBTTGRA2

Rechnitz - Cross

1 married, are wed, and then for seven nights there are  
2 ceremonies.

3 Q. And Sheva Brachot means seven blessings, is that correct?

4 A. I believe so.

5 Q. And sir, it is the custom for close friends or relatives to  
6 sponsor those various dinners, right?

7 A. That's right.

8 Q. And you, as a close friend of Jeremy Reichberg, sponsored  
9 one of these, right?

10 A. That's right.

11 Q. And this was in 2016, right?

12 A. Right.

13 Q. And that was not when you were hanging out with cops,  
14 right?

15 A. That's right.

16 Q. And sir, I want to show you what has been marked as JR15 --  
17 sorry, 51012.

18 Do you recognize that?

19 A. I do.

20 Q. And what is that?

21 A. This is an invitation to the party that we were just  
22 speaking of, the Sheva Brachot.

23 Q. That is the one hosted by you?

24 A. Yes.

25 MS. NECHELES: I offer that in evidence, your Honor.

IBTTGRA2

Rechnitz - Cross

1 MR. MERINGOLO: No objection.

2 MR. BELL: With respect to relevance, your Honor, we  
3 don't object, whatever the relevance is.

4 THE COURT: That's fine. I'm accepting JR51012 into  
5 evidence.

6 (Defendant's Exhibit JR51012 received in evidence)

7 THE COURT: You can proceed.

8 Q. And that was the invitation that you sent out that night.

9 MS. NECHELES: If I could show that to the jury?

10 THE COURT: You may.

11 A. That's the invitation sent from the list provided to me.

12 Q. Jeremy Reichberg or the family would traditionally give a  
13 list of who they wanted invited, right?

14 A. That's what happened in this case.

15 Q. Well, it's a celebration for the family and the child,  
16 right?

17 A. Yes.

18 Q. So traditionally the family and the child or whoever is  
19 getting married would be the one sending out or giving the list  
20 of who they would like invited, right?

21 A. I'm not sure, I haven't made a wedding, but in this  
22 instance that's what happened.

23 Q. But then in addition, you had some of your friends, right?

24 A. Yes.

25 Q. Ralph Herzka?



IBTTGRA2

Rechnitz - Cross

1 A. Yes.

2 Q. Murray Huberfeld?

3 A. Yes.

4 Q. Some other people?

5 A. Yes, I had them there because they were friends of Jeremy  
6 as well.

7 Q. And sir, if we could look at also the picture of JR51004,  
8 is that a picture of the place setting for that dinner?

9 A. Yes, it is.

10 MS. NECHELES: I offer that in evidence, your Honor.

11 MR. MERINGOLO: No objection.

12 MR. BELL: Sure, your Honor.

13 THE COURT: Thank you. Without objection, I'm  
14 accepting JR51004 into evidence.

15 (Defendant's Exhibit JR51004 received in evidence)

16 THE COURT: You can proceed.

17 MS. NECHELES: If I could publish that to the jury.

18 THE COURT: You may.

19 BY MS. NECHELES:

20 Q. That's what it looked like, a place setting and how the  
21 place looked, right?

22 A. Yes.

23 Q. Really beautiful, right?

24 A. Yes.

25 Q. And you spent a lot of money on this, right?

IBTTGRA2

Rechnitz - Cross

1 A. Yes.

2 Q. It was about 120 people there?

3 A. Yes.

4 Q. And you spent -- how much did you spend, sir?

5 A. I think about \$40,000.

6 Q. It was a very expensive one-night dinner, right?

7 A. That's right.

8 Q. And that wasn't even the wedding, right?

9 A. Right.

10 Q. And you did this because you wanted to give a lavish gift  
11 to Mr. Reichberg, right?

12 A. That's false.

13 Q. Well, you were not hanging out with police officers at that  
14 point, right?

15 A. I was not.

16 Q. And you were not getting anything from Mr. Reichberg,  
17 right?

18 A. No, I had a different motive to do it.

19 Q. What was your motive, sir?

20 A. At that time Jeremy and I were not really in touch, and  
21 there were rumors that he had gone to Israel and that he was  
22 working with the government. And I wanted to keep him close to  
23 make sure we were coordinated at the time. So I decided to  
24 make him this party, even though we had lost touch, to keep him  
25 close.

IBTTGRA2

Rechnitz - Cross

1 Q. And you didn't tell him that, right?

2 A. No.

3 Q. This is sort of a bribe, you're saying, right?

4 MR. BELL: Objection, your Honor.

5 THE COURT: Thank you. I sustain the objection.

6 Counsel, you can proceed.

7 Q. You did this in order to try to entice him to be close to  
8 you, you're saying, right?

9 MR. BELL: Objection, your Honor.

10 THE COURT: Thank you. You can answer the question.

11 A. I didn't want him to feel we were at odds at that point.

12 Q. But it was more that you didn't want to feel at odds, you  
13 did a lavish event to make him feel close to you, right?

14 A. I did it so that he feels that we were good and there was  
15 no friction between us.

16 Q. You say good, you mean good friends, right?

17 A. Yes.

18 Q. Because that's who holds Sheva Brachot for someone, a good  
19 friend or relative, right?

20 A. Right.

21 Q. A very close friend, right?

22 A. No, community friend, close friends, each scenario is  
23 different.

24 Q. And so you did this extremely lavish event and you had a  
25 secret alternative motive is what you're saying, right?

IBTTGRA2

Rechnitz - Cross

1 A. Again, I just told you my motive, yes.

2 Q. And that was secret is what I asked you.

3 A. I did not share it with him.

4 Q. And he had no idea, right?

5 A. I don't know what he thought or didn't think.

6 Q. Okay. But to the best of your knowledge, he had no idea  
7 that that was your secret intent?

8 MR. BELL: Objection, your Honor.

9 THE COURT: Thank you. Sustained.

10 Q. And sir, let's move on.

11 THE COURT: Counsel, could I ask, it's about our lunch  
12 break time. Would this be a proper time for us to take a break  
13 if you're changing topics?

14 MS. NECHELES: There's one last question, maybe.

15 THE COURT: Please go ahead.

16 MS. NECHELES: Actually I withdraw that, your Honor.  
17 I will finish you up after lunch because it's probably more  
18 than one last question.

19 THE COURT: If it's a short period --

20 MS. NECHELES: I'm moving on from this topic, but  
21 there's a little more that we have to do.

22 THE COURT: That's fine.

23 So ladies and gentlemen, we'll take our lunch recess  
24 now. Don't talk to each other about the case or anyone else,  
25 don't do any research, and I will see you shortly.

IBTTGRA2

Rechnitz - Cross

1 (Jury not present)

2 THE COURT: Thank you very much, counsel, let's take  
3 our lunch break. I will ask you to be back here about five  
4 minutes after the hour. I hope we'll be able to start with the  
5 jury at that time.

6 Mr. Rechnitz, during this break, as throughout your  
7 cross-examination, I'm asking that you please continue not to  
8 discuss the case or your testimony with anyone other than your  
9 counsel.

10 THE WITNESS: Yes, your Honor.

11 THE COURT: Good. Thank you all. I will see you  
12 momentarily.

13 MS. LONERGAN: Your Honor, we have two brief points we  
14 would like to raise with the Court. I don't know if your Honor  
15 wants to do it now.

16 THE COURT: Please do.

17 MS. LONERGAN: We think that questions about whether  
18 his conduct violated some precept of Jewish law is not  
19 appropriate. There was a question about whether giving gifts  
20 to charity in an open or overt way was disfavored by Jewish  
21 law. We don't see the relevance of that and don't think there  
22 should be questions about essentially whether his conduct or  
23 anyone's conduct violated Jewish law. It's not really the law  
24 that's going to govern these proceedings.

25 MS. NECHELES: Your Honor, I said that in response to

IBTTGRA2

Rechnitz - Cross

1 something, and I'm perfectly willing to have that stricken. I  
2 should not have asked that.

3 THE COURT: That's fine. Please identify the relevant  
4 portions of the transcript and we can take that out.

5 MS. LONERGAN: Secondly, your Honor, briefly, I think  
6 some of the questions on cross-examination are creating  
7 somewhat of a misleading impression of the law. Specifically,  
8 as we briefed to the Court, whether an item was comped to the  
9 witness or whether he otherwise couldn't make use of it doesn't  
10 mean it's not a thing of value to the recipient. If he was  
11 comped a \$10,000 hotel room and then he gave it to somebody,  
12 that's something that still has value to the recipient.  
13 Similarly, if he can't use very expensive sports tickets and  
14 gives them to someone, that still has value to the recipient.  
15 So we're just a little he concerned that that line of  
16 questioning again crates a misleading impression of the law  
17 that what is at issue is whether he spent money on something or  
18 whether he could use something.

19 And so I think that this could be addressed by some  
20 sort of instruction, maybe at the conclusion of his testimony,  
21 that whether something has -- that you're going to give further  
22 instructions on what a thing of value is, but it is not  
23 relevant or it's not the entire question about whether -- to  
24 determine if something is a thing of value whether this witness  
25 had to pay for it, because that's not actually the relevant

IBTTGRA2

Rechnitz - Cross

1 inquiry, your Honor.

2 THE COURT: Thank you. If the government would like  
3 to propose the text of the specific limiting instruction, I  
4 will invite you to do so. Please confer with counsel for  
5 defendants about it. I expect that there may be views by them  
6 about the propriety of such an instruction at this time.

7 I'm happy to look at whatever it is the government  
8 would like to propose. A question will be whether I can  
9 effectively highlight one portion of what would be a  
10 comprehensive set of instructions at this stage, given what I  
11 understand to be the defendant's expressed purpose for  
12 introducing this evidence.

13 MS. NECHELES: Your Honor, I can't believe -- I think  
14 your Honor understands I have introduced this evidence for the  
15 issue of corrupt intent. I'm not arguing that something --  
16 that a rich person can't give a bribe. I'm not arguing that  
17 because he's rich it doesn't matter. I'm not arguing any of  
18 those things. I don't expect to argue it at the end. That  
19 would be foolish for me to argue. Your Honor will charge at  
20 the end of case, like every case. Nobody ever charges in the  
21 middle the government's theory of the case or their  
22 contentions. I don't know why this is being asked for at this  
23 point, but I object to it.

24 THE COURT: Thank you. That's fine.

25 Counsel for the United States, if you would like to

IBTTGRA2

Rechnitz - Cross

1 present such a proposed instruction you are welcome to do so  
2 and I will consider it at that time. At this point, however,  
3 let's take our lunch break and I will see you about five  
4 minutes after the hour.

5 Thank you.

6 (Luncheon recess taken)

7 (Continued on next page)



IBTTGRA2

Rechnitz - Cross

## AFTERNOON SESSION

(12:10 p.m.)

THE COURT: Are we ready to proceed, counsel?

MR. BELL: Not just yet, your Honor. One issue has come up. Over the break defense counsel sent us a video that they say that they're entitled to play in light of Mr. Rechnitz's testimony to this point. We only just watched it because we had trouble loading it. Mr. Willis was nice enough to play it for us.

The video appears to consist of Jona giving some sort of a toast, presumably at the very event for Mr. Reichberg's daughter that was described prior to the break. It's unclear both, A, what the proper relevance would be, B, how one gets around the hearsay issues involved. It may be that Ms. Necheles can better articulate what this video is and what it's permissible purpose is in a more effective way than I can preempt it, but I wanted to note this now because we have been trying to stay away from sidebars and the like, as I suspect your Honor noticed, but since we don't have the jury here we did want to raise this, particularly since -- and the one thing that it does seem to suggest is that Mr. Rechnitz and Mr. Reichberg were friends. That, too, is not actually a defense to the crimes at issue. So we're a bit puzzled and perhaps more so curious about what the permissible purpose of for this would be.

IBTTGRA2

Rechnitz - Cross

1 MS. NECHELES: So your Honor, I did not expect  
2 Mr. Rechnitz's testimony that came at the end, but it was clear  
3 he said this right in the beginning of my cross, he was going  
4 to keep saying it, so I just let him say it, and it was in  
5 light of his testimony that he was just being fraudulent here  
6 and that he had an ulterior motive for doing all this.

7 I had not been planning on playing this video. In  
8 fact, I just got this video. People came up to me afterwards  
9 to show me this video. I believe it is relevant to show why  
10 Mr. Reichberg would not know Mr. Rechnitz's intent.  
11 Mr. Rechnitz testified that he had the intent to bribe people,  
12 he has said he had repeated conversations with Mr. Reichberg,  
13 but there's not going to be any corroboration of that.

14 So what it comes down to at the end is does  
15 Mr. Reichberg know Mr. Rechnitz's intent, his corrupt intent,  
16 and did it share it? And I think, in light of what was just  
17 said here, that this is a perfect example of why he would not  
18 know it was corrupt intent. And I am not offering it for the  
19 truth of it, I am offering it in light of his testimony to show  
20 his actions and his conduct, Mr. Rechnitz's actions and conduct  
21 during the time period.

22 THE COURT: Thank you. Can I ask you to -- I may want  
23 to ask just to see it after I ask if you can describe what it  
24 is. But first, what's the testimony that you're referring to?  
25 My recollection of Mr. Rechnitz's testimony was, in essence,

IBTTGRA2

Rechnitz - Cross

1 that he did have this ulterior motive, that he did not  
2 articulate it to Mr. Reichberg, and that he has no basis to  
3 provide testimony as to what Mr. Reichberg understood because  
4 he didn't express the motive.

5 What is it that the video shows with respect to that  
6 testimony, assuming that's what you're referring to?

7 MS. NECHELES: It shows how he would act when he had  
8 this kind of secret ulterior motive. He's up there giving a  
9 toast, and he's lavish in his praise and talking about how back  
10 the families go.

11 You would never guess from the way he is acting that  
12 he is harboring this animus and he had this secret ulterior  
13 motive or belief that Jeremy is cooperating with him --  
14 Mr. Reichberg is cooperating with him. And I think it goes to  
15 the heart of this case of could he have been hiding his  
16 supposed intent to bribe police officers?

17 They're talking about people who are very close. The  
18 government is going to argue at the end of the case these  
19 people were very close, Jeremy Reichberg and Jona Rechnitz.  
20 And they were very close, there's lots of evidence of that.  
21 They were very close. But this is a big example of how he  
22 would hide something like that. This is something that we had  
23 never heard until he testified here today. Nobody had a  
24 notion. I had no notion when I started my cross on this that  
25 is what I was going to hear, that this was all a fraud. It was

IBTTGRA2

Rechnitz - Cross

1 very revealing.

2 THE COURT: Thank you. Can I ask how long the video  
3 is that you seek to put in, counsel?

4 MS. NECHELES: One minute and 13 seconds, your Honor.

5 THE COURT: Thank you.

6 Counsel for the United States United States

7 MR. BELL: Yeah, that comports with our memory, your  
8 Honor.

9 Regardless of -- I respect Ms. Necheles, I respect her  
10 argument, it's nonetheless wrong. To be clear, first of all,  
11 there's an overgeneralization here or some sort of  
12 mischaracterization with respect to Mr. Rechnitz's testimony.  
13 Mr. Rechnitz didn't describe any sort of animus that he had  
14 with respect to Mr. Reichberg, just that he wanted to keep him  
15 close because he was concerned that Mr. Reichberg might be  
16 cooperating in the fashion that he eventually did.

17 To the extent Ms. Necheles points out during this  
18 toast Mr. Rechnitz makes lavish and complimentary statements  
19 about the Reichbergs, that's one of the reasons why, under a  
20 403 analysis, this can't come in. And I think this is actually  
21 the principal effect of putting this in, that is Mr. Rechnitz  
22 getting the chance to say a lot of things about how far back  
23 the families go, the Reichberg family's charity, that sort of  
24 thing, and I think that your Honor probably should take the  
25 minute to watch this video and appreciate why it's problematic.

IBTTGRA2

Rechnitz - Cross

1           Before I do sit down though, I say that look, we  
2 actually have shown video of Mr. Rechnitz talking about his  
3 intent with respect to the police officers in the presence of  
4 Mr. Reichberg with Mr. Reichberg not reacting. That actually  
5 goes to the core of this same issue in a vastly less circuitous  
6 way. But this issue -- this video I think can't come in for  
7 hearsay and 403 reasons.

8           Further, the existence of this toast doesn't mean that  
9 Mr. Rechnitz was ever -- was denying that he and Mr. Reichberg  
10 were ever friends or anything else prior that existed. People  
11 give toasts.

12           THE COURT: Thank you. I will see the video.

13           Can you please show it?

14           MS. NECHELES: Yes, your Honor. And in addition, I  
15 would say that we would agree to leave off the last part, which  
16 is the only part that I think might be problematic.

17           (Video recording played)

18           MS. NECHELES: Your Honor, with respect to last part  
19 of it where he says everybody knows if you have a problem you  
20 can call Jeremy, I would not offer that at this time because I  
21 understand the hearsay problems with that. But I will ask him  
22 whether people know whether that was something that he was  
23 aware of, and whether Mr. -- because that's the central issue  
24 here as well, and if he denies it, then I would seek to play  
25 that to show his prior inconsistent statement, but I would not

IBTTGRA2

Rechnitz - Cross

1 put that in at this time. At this time I'm only seeking to put  
2 in his -- the video up until that point to just show how -- and  
3 I don't think -- I think a lot of it is just talking about the  
4 families being very close and caring for each other up to that  
5 point.

6 THE COURT: Thank you. First, I have trouble  
7 discerning what it is that the person is saying in the video.  
8 It's far from clear. This is not a professionally recorded  
9 video. There's a lot of clattering of silverware, and the  
10 voice of the speaker is very indistinct. It's hard for me to  
11 make out, as I said earlier, exactly what it is what he's  
12 saying.

13 Is there a transcript of what is said here?

14 MS. NECHELES: No, I'm sorry, your Honor, we just got  
15 it. And some of it -- there's a lot of the Yiddish in here as  
16 well, I don't know, Yiddish Hebrew mix. There's a lot of time  
17 he's talking about religious concepts. We could say a lot of  
18 what you're talking about are that. But basically I think the  
19 only -- I don't think I could create a transcript right now. I  
20 just got this, your Honor.

21 THE COURT: Thank you. Understood. I, again, have a  
22 very difficult time even hearing what it is that the witness is  
23 saying in this video. I, in the absence of a transcript, am  
24 hesitant to make a ruling on whether or not this can come in  
25 because I simply can't hear all of the words that he's saying,

IBTTGRA2

Rechnitz - Cross

1 and I'm afraid that there may be something that I'm not  
2 perceiving in the short watching that may be inappropriate.

3 So I'm happy to permit you to inquire about this. I  
4 would be happy to consider this further with a transcript in  
5 hand so I could understand what it is that is being said and  
6 evaluate it, but I simply can't make out what it is that he's  
7 saying here.

8 Also, for what it's worth, to the extent that the  
9 purpose of this to show that Mr. Rechnitz is very deceptive and  
10 it's hard to tell what he's noting when he's speaking, he's  
11 reading from a piece of paper for this toast in a sort of flat  
12 affect. It's hard for me to see necessarily the video by  
13 itself demonstrates that point, which is part of the reason why  
14 I would like to see the words that he's speaking to help  
15 understand why it's valuable for the purpose that you're  
16 describing.

17 MS. NECHELES: Your Honor, I think what I will do is  
18 move on for now. I will try to get a transcript made today or  
19 this evening, then we could perhaps raise it later.

20 THE COURT: That's fine. And I have no concern about  
21 you asking further questions about whether or not there's  
22 anything that he was telegraphing that would permit  
23 Mr. Reichberg to understand that he had this ulterior motive,  
24 to the extent that you think that's helpful beyond the  
25 questions that have already been asked.

IBTTGRA2

Rechnitz - Cross

1 MS. NECHELES: I think I already asked that, but your  
2 Honor, I will say that I don't think that the question is like  
3 how he appears right there, but the whole sort of scheme that  
4 he does this. Like yes, it's written out, but he's thought  
5 about that before, and he says he did the whole thing, like he  
6 puts on this whole performance, and Mr. Reichberg -- nobody has  
7 any idea that this is what it is. They don't share his intent.

8 THE COURT: Thank you. Understood. And again, I  
9 don't mind if you ask additional questions on the topic and we  
10 can evaluate further as the video comes in.

11 MS. NECHELES: I will try to provide a transcript  
12 later this evening, your Honor.

13 THE COURT: Very good. Let's proceed.

14 MS. NECHELES: Thank you, your Honor.

15 MR. BELL: Could I address something briefly?

16 THE COURT: Please.

17 MR. BELL: Ms. Necheles seems to describe -- I am  
18 having difficulty understanding this argument, but as I take it  
19 in, the video demonstrates Mr. Rechnitz's capacity to be  
20 dishonest about his intentions. In other words, it is  
21 extrinsic evidence of his character for dishonesty with respect  
22 to his own feelings and intentions. As it happens, there's an  
23 app for that, it's Rule 608(b).

24 THE COURT: Thank you.

25 (Jury present)



IBTTGRA2

Rechnitz - Cross

1 THE COURT: Counsel for Mr. Reichberg, you can  
2 proceed.

3 MS. NECHELES: Thank you, your Honor.

4 BY MS. NECHELES:

5 Q. Sir, Mr. Reichberg, Jeremy Reichberg, did not spend the  
6 kind of money that you were spending that we have been  
7 discussing, right?

8 A. Right.

9 Q. In fact, you have -- you considered him cheap, right?

10 A. Yes.

11 Q. And you claim that Jeremy latched onto you when he met you,  
12 right?

13 A. I what?

14 Q. You claim that Jeremy latched onto you when he met you,  
15 right?

16 A. Yes.

17 Q. And he almost never paid for things, right?

18 A. Not when I was around.

19 Q. And in fact, there was a tape that was played where you  
20 asked him to advance \$5,000, right?

21 A. Yes.

22 Q. And he said he didn't have it, right?

23 A. That's right.

24 Q. And he would have to borrow it. You asked him to borrow it  
25 from someone, right?

IBTTGRA2

Rechnitz - Cross

1 A. Yes.

2 Q. And you testified on direct -- you were asked a question,  
3 you answered that Jeremy always wanted to be around rich people  
4 and liked to benefit from them financially. Right?

5 A. Yes.

6 Q. And when you said this, you were really commenting on your  
7 relationship with Jeremy, right?

8 A. No.

9 Q. Well, am I correct that he benefited financially from you,  
10 right?

11 A. Yes.

12 Q. And you threw a beautiful Sheva Brachot for him, right?

13 A. Right.

14 Q. And you did other things for him, right?

15 A. Yes.

16 Q. Gave him gifts?

17 A. Yes.

18 Q. Gave him a beautiful watch?

19 A. Yes.

20 Q. And a Rolex, right?

21 A. Yes.

22 Q. And you referred very wealthy clients to him, right?

23 A. Yes.

24 Q. In fact, you were aware that most of his income came from  
25 clients you were referring, right?

IBTTGRA2

Rechnitz - Cross

1 A. That's false.

2 Q. Well, you referred Harry Skydell to him, right?

3 A. Yes.

4 Q. What other clients did you refer to him?

5 A. Yes, I referred other clients.

6 Q. What other clients?

7 A. Many people from the community.

8 Q. And they were wealthy people, right?

9 A. Some were, some weren't.

10 Q. You knew wealthy people, right?

11 A. Yes.

12 Q. And they would need something done and you sent them to

13 Mr. Reichberg, right?

14 A. Right.

15 Q. And I'm talking about situations where it was an expediting  
16 matter that had to be done with the department of buildings or  
17 another department like that, right?

18 A. Right.

19 Q. And those paid very well, right?

20 A. Yes.

21 Q. And you were disdainful of Mr. Reichberg for not having as  
22 much money as you, weren't you?

23 A. I was what?

24 Q. Disdainful of him.

25 A. I don't know what that means.

IBTTGRA2

Rechnitz - Cross

1 Q. You looked down on him, didn't you?

2 A. Not at all.

3 Q. You said that earlier, your comment on your direct  
4 testimony when you said he liked to be around rich people and  
5 benefited financially from them, that wasn't looking down on  
6 him?

7 A. No, it's a fact.

8 Q. Okay. And you didn't say that because you thought poorly  
9 of him and you wanted to convey that?

10 A. No, I was answering the question that I was asked.

11 Q. Was that part of the question, about whether he benefited  
12 financially?

13 MR. BELL: Objection.

14 THE COURT: Thank you. Sustained.

15 Q. Wasn't the question just whether Mr. Reichberg knew Eli  
16 Rowe?

17 MR. BELL: Objection.

18 THE COURT: Thank you. You can answer that question.

19 A. I don't remember what the exact question was, but there  
20 were a series of questions, so I gave an answer based on what I  
21 was asked.

22 Q. Sir, now even though you were living lavishly during the  
23 time period, 2008 through 2016, you were still committing  
24 financial crimes. You were committing financial crimes, right?

25 A. Yes.

IBTTGRA2

Rechnitz - Cross

1 Q. And that includes that you cheated the insurance company,  
2 right?

3 A. Yes.

4 Q. And you put in a claim for a watch which you had lost,  
5 right?

6 A. Yes.

7 Q. And you testified yesterday that you think you only got  
8 about \$15,000, right?

9 A. That's right.

10 Q. But what you claimed for was 65,000, right?

11 A. Yes, the value of the watch.

12 Q. And that's what you were hoping to get, right?

13 A. Right.

14 Q. And it turns out the watch wasn't stolen or lost, right?

15 A. That's not correct.

16 Q. Well, you found it, didn't you?

17 A. It turned up. Doesn't mean it wasn't stolen and returned  
18 or not lost. It was legitimately lost.

19 Q. It was lost in your house, right?

20 A. Yes.

21 Q. And what year did you put that insurance claim in?

22 A. I don't remember the exact year.

23 Q. Well, approximately.

24 A. It's definitely when I knew Jeremy because he helped me  
25 with the claim.

IBTTGRA2

Rechnitz - Cross

1 Q. So it's Jeremy's fault that you put in a false insurance  
2 claim?

3 MR. BELL: Objection.

4 THE COURT: Thank you. Sustained. You can proceed.

5 Q. Sir, you're not suggesting it's Jeremy's fault,  
6 Mr. Reichberg's fault?

7 MR. BELL: Objection.

8 THE COURT: Thank you. You can answer that question.

9 A. I did not say that. I said he helped me file a police  
10 report, get a cop to take the report, and I submitted a claim.

11 Q. So he was assisting you as a friend, right?

12 A. Yes, he assisted me with a matter.

13 Q. As someone that needed to file a police report, right?

14 A. Yes.

15 Q. That at the time you believe was an honest police report,  
16 right?

17 A. Yes.

18 Q. So it was sometime prior to 2015, right?

19 A. Right.

20 Q. And sir, when did you find the watch?

21 A. I don't remember. Shortly after.

22 Q. Was it before you had gotten paid by the insurance company?

23 A. I don't remember.

24 Q. It might have been before you had received the money from  
25 the insurance company?

IBTTGRA2

Rechnitz - Cross

1 A. It may have been.

2 Q. But you didn't tell the insurance company?

3 A. No, I did not.

4 Q. And three weeks ago you paid back the insurance company the  
5 \$15,000, right?

6 A. Yes.

7 Q. And why?

8 A. Because in a prior proceeding it was suggested to me that I  
9 did not try and go and reimburse the company, and I realized  
10 that so I wanted to rectify it.

11 Q. And sir, maybe I could refresh your recollection and see  
12 whether this --

13 MS. NECHELES: If I could approach, your Honor?

14 THE COURT: You may.

15 Q. -- see whether this refreshes your recollection on the date  
16 that you filed the police report.

17 Does that refresh your recollection that the date was  
18 actually 2009?

19 A. Yes, it does.

20 THE COURT: Thank you. Counsel, could we mark that  
21 for identification purposes?

22 MS. NECHELES: Yes, your Honor.

23 Q. Could I have that back, please?

24 A. Sure, I'm just looking.

25 MS. NECHELES: Your Honor we, could mark this as

IBTTGRA2

Rechnitz - Cross

1 defense Exhibit JR6000.

2 THE COURT: Thank you very much.

3 MS. NECHELES: Thank you, your Honor.

4 BY MS. NECHELES:

5 Q. And sir, so you're saying that because someone asked in a  
6 prior proceeding you realized oh, this is a problem, I should  
7 pay that back, right?

8 A. It was suggested to me to pay it back before this  
9 proceeding because it's not something that I had done  
10 previously. So I thought --

11 Q. What was that prior proceeding?

12 MR. BELL: Your Honor, objection.

13 Your Honor, may we have a sidebar here?

14 THE COURT: Yes. Sustained.

15 Q. And when you say it was suggested to you, who suggested  
16 that?

17 MR. BELL: Objection, your Honor.

18 THE COURT: Thank you. Sustained.

19 Q. And sir, was it someone other than your lawyer? I don't  
20 want to intrude on attorney-client privilege.

21 MR. BELL: Objection, your Honor.

22 THE COURT: Thank you. You can answer the question.

23 A. I think I would be breaking privilege if I answered that.

24 THE COURT: Fine, sustained.

25 MS. NECHELES: I will move on.



IBTTGRA2

Rechnitz - Cross

1 THE COURT: Please do.

2 BY MS. NECHELES:

3 Q. Sir, in addition to cheating the insurance company, you  
4 were also lying to and cheating investors, right?

5 A. Yes.

6 Q. And that was in connection with two ongoing loan schemes  
7 involving hard money, right?

8 A. Yes.

9 Q. And when I say hard money loans, you understand what that  
10 means, right?

11 A. Yes.

12 Q. And hard loan monies -- hard money loans are loans at a  
13 very high interest rate which are a little riskier than loans  
14 that banks would usually take, right?

15 A. Right.

16 Q. And in exchange for taking on a little extra risk, the  
17 lender gets a higher percentage, right?

18 A. Right.

19 Q. And you were doing that in connection with two different  
20 individuals, Mr. Peralta and Mr. Nissen, right?

21 A. Yes.

22 Q. And I want to start with Mr. Peralta. And Mr. Peralta was  
23 supposedly running a wholesale liquor company, right?

24 A. Right.

25 Q. That's what you believed, is that correct?

IBTTGRA2

Rechnitz - Cross

1 A. Yes.

2 Q. And you met Mr. Peralta through David Colon, right?

3 A. No, I met him through Jeremy who met him through David.

4 Q. So originally Mr. Colon introduced Mr. Peralta to -- you  
5 say to Mr. Reichberg, and they introduced Mr. Peralta to you,  
6 right?

7 A. Yes.

8 Q. And Mr. Peralta needed money, he said, to finance his  
9 liquor operation, right?

10 A. Right.

11 Q. And am I correct that Mr. Colon wanted a commission from  
12 this, right?

13 A. Not so clear. He never asked us for a commission.

14 Q. Isn't it correct, sir, that he asked you to pay for his  
15 daughter's suite at a hotel?

16 A. That's correct.

17 Q. And also to give him a watch, right?

18 A. I offered him the watch.

19 Q. And you understood those things to be the commission that  
20 you were paying for sort of finder's fee?

21 A. No, that's not correct.

22 Q. Well, when someone brings you a nice investment  
23 opportunity, it is part of your -- the practice in the business  
24 world to pay finder's fees, right?

25 A. Depends when, when it's legal or illegal. You can't give

IBTTGRA2

Rechnitz - Cross

1 someone money if it's illegal. It depends on the circumstance.

2 Q. So for example, if you're not a broker you could not get --  
3 if you're not a series seven person you could not get a  
4 finder's fee from a hedge fund, is that what you're saying?

5 A. Yes.

6 Q. But this is not that kind of matter, right?

7 A. No, this is about a liquor company involving a police  
8 officer.

9 Q. Okay. But at the time did you know that a police officer  
10 could not get a finder's fee on something like that?

11 MR. BELL: Objection, your Honor.

12 THE COURT: Thank you. You can answer the question.

13 A. I understand it was illegal.

14 Q. You understood at the time it was illegal for a person to  
15 get a finder's fee for something like that, is that your  
16 testimony?

17 A. My understanding is it will be illegal to give a police  
18 officer money.

19 Q. Ever?

20 A. For the introduction for the liquor.

21 Q. So instead of giving him money, you gave him a hotel room  
22 and a watch, right?

23 A. Separate and apart from the liquor company, I paid for his  
24 daughter's Sweet 16 when he asked and I gave him a watch as  
25 well.

IBTTGRA2

Rechnitz - Cross

1 Q. And you testified before he never did anything for you,  
2 right, except introduce you to Peralta, right?

3 A. That's right.

4 Q. And for a while you were bringing investors to invest in  
5 Peralta's deal, right?

6 A. In addition to my own and other investors, yes.

7 Q. You invested your own money and brought other people who  
8 would also make loans, right?

9 A. Yes.

10 Q. And those other people who you brought to this were your  
11 group of friends and associates, right?

12 A. Family and friends.

13 Q. So they include Moshe Klein, right?

14 A. Yes.

15 Q. And he's a very wealthy individual who owns a diamond  
16 company?

17 A. That's right.

18 Q. And Michael Weinberger?

19 A. Correct.

20 Q. Close friend of yours?

21 A. He was.

22 Q. And by the way, Moshe Klein is someone who you were in the  
23 same office suite with, right?

24 A. No.

25 Q. You were not in his office suite?

IBTTGRA2

Rechnitz - Cross

1 A. No, I never was.

2 Q. Yaron Turgeman?

3 A. Yes.

4 Q. But Mr. Klein is also -- his offices were also at 580 Fifth  
5 Avenue, right?

6 A. In the same building, yes.

7 Q. The same building that you were in?

8 A. Yes.

9 Q. Yaron Turgeman, did you share an office suite with him?

10 A. At a time, yes.

11 Q. That was 580 Fifth Avenue, right?

12 A. Yes.

13 Q. And 580 Fifth Avenue is in fact known as a diamond  
14 building, right?

15 A. Yes.

16 Q. It is on the corner of 47th and 5th Avenue, right?

17 A. Yes.

18 Q. And 47th is the diamond street, right?

19 A. It's the diamond district, yes.

20 Q. When I say -- it's an extremely difficult building to get  
21 into, right?

22 A. No.

23 Q. Well, very high security?

24 A. Not if you have an ID, you can get right in.

25 Q. And to get into the offices that you had, was there a

IBTTGRA2

Rechnitz - Cross

1 mantrap?

2 A. Yes.

3 Q. What is a mantrap?

4 A. A mantrap is common in the diamond office. When you walk  
5 into the office it's considered like a lobby before you enter  
6 the main office where someone has to buzz you in so that they  
7 can control who is coming in and out of the office.

8 Q. So to be clear, there's two doors that you have to go  
9 through, right?

10 A. Well, the front door, which is open, unlocked.

11 Again, whose office are you talking about?

12 Q. I'm trying to explain what a mantrap is.

13 A. Usually one door, a locked door into the office.

14 Q. Well, isn't there a door -- usually two doors and one locks  
15 behind you before the other one locks, is that correct?

16 A. Not in all cases.

17 Q. But that's what a mantrap is?

18 A. Again, it's a secure -- call it like vestibule or lobby, so  
19 you have to get buzzed in to enter. It's also called a safe  
20 door so no one will walk out with your diamonds.

21 Q. And no one can bust in and steal things from the place?

22 A. Right.

23 Q. That's where your offices were, right, in a place where  
24 people and business were diamonds, right?

25 A. My office was in a building where most tenants were diamond

IBTTGRA2

Rechnitz - Cross

1 dealers.

2 Q. And in fact, you gave the impression of being in the  
3 diamond business, right?

4 A. Again, that's a generalization. I gave the impression I'm  
5 in real estate and that I dabbled in diamonds, which was the  
6 case.

7 Q. You say dabbled. It was the case that you dabbled in  
8 diamonds, right?

9 A. Yes.

10 Q. When you say "dabbled in diamonds," what you mean is you  
11 would sell diamonds, right?

12 A. Yeah, I would sell jewelry, diamonds, or bring in clients  
13 to some of my friends who were in the business.

14 Q. And you would get a commission when you would do that?

15 A. Yes.

16 Q. When you would sell them, you would take diamonds for  
17 people to view?

18 A. On occasion.

19 Q. And would that be like on consignment; is that what you  
20 would be doing, taking diamonds on consignment?

21 A. Yes.

22 Q. And when you would do that, would there be any written  
23 documentation that you were taking them?

24 A. Yes.

25 Q. What would that documentation be?

IBTTGRA2

Rechnitz - Cross

1 A. A consignment agreement.

2 Q. How would that be commonly referred to?

3 A. Consignment agreement or memo.

4 Q. A memo. Right. That's common in the diamond industry,  
5 that things are given out on memo, right?

6 A. Yes.

7 Q. And that's what you would do, right?

8 A. On occasion, yes.

9 Q. Okay. And when you were -- in addition, did Ari Schwebel  
10 also invest with Mr. Peralta?

11 A. Not that I'm aware of.

12 Q. And your father-in-law, Mr. Kohn?

13 A. Yes, he would.

14 Q. And Mr. Reichberg did not bring any investors to invest in  
15 this, did he?

16 A. Not that I'm aware of. Not through me.

17 Q. And to the best of your knowledge, he didn't do it through  
18 anyone else either, right?

19 A. That's right.

20 Q. And he didn't invest his own money either, did he?

21 A. No, he did not.

22 Q. So you were the one putting up money and bringing the  
23 investors there, right?

24 A. Yes, I was the one who paid and he was the one who dealt  
25 with details.



IBTTGRA2

Rechnitz - Cross

1 Q. When you say "dealt with details," you were the one who was  
2 often having emails with Mr. Peralta about that he had to get  
3 paid -- he had to pay certain things or this is the person who  
4 was going to be investing, right?

5 A. I had emails with him.

6 Q. And you were arranging for the investments and when they  
7 should come back and how much should be paid out, right?

8 A. I was in charge of illegal agreements.

9 Q. You were charge of illegal agreements and in charge of the  
10 finances, right?

11 A. Yes.

12 Q. In charge of getting money from the people, right?

13 A. Yes.

14 Q. And you were in charge of making sure the money got paid  
15 back, right?

16 A. No, that was on Jeremy.

17 Q. You were in charge of setting up the dates that things  
18 would get paid back, right?

19 A. In conjunction with Jeremy, yes.

20 Q. You would determine the terms of the loan, right?

21 A. No.

22 Q. Jeremy did that?

23 A. Together we discussed them.

24 Q. I see.

25 A. We were partners in this.

IBTTGRA2

Rechnitz - Cross

1 Q. It wasn't his money, it wasn't his investors, but you let  
2 him determine the terms of the loan?

3 MR. BELL: Objection.

4 THE COURT: Thank you. Sustained.

5 Q. Sir, what you were saying when you say "the details" is you  
6 claim Mr. Reichberg was supposed to go out and check that the  
7 liquor was actually there, right?

8 A. That was one of his responsibilities.

9 Q. That's what you say he was supposed to do, right?

10 A. Yes, that was one of his responsibilities.

11 Q. And sometimes you would tell him to call Mr. Peralta or to  
12 send emails to Mr. Peralta, right?

13 A. Yes.

14 Q. You would dictate to him what he would do, right?

15 A. Yes, on occasion.

16 Q. He was sort of your assistant who handled the menial  
17 things, right?

18 A. No, not at all. He, on his own, reached out and was  
19 responsible for collecting money from Mr. Peralta as well.

20 Q. Well, according to you, Mr. Reichberg completely failed in  
21 his duties to check whether there was actually liquor there,  
22 right?

23 A. Pardon?

24 Q. According to you, Mr. Reichberg completely failed in his  
25 duties to check whether there was liquor there, right?

IBTTGRA2

Rechnitz - Cross

1 A. I later learned that there was never a storage facility  
2 that Jeremy had told me he had seen, so yes.

3 Q. That's what you claim, he had told he had seen a storage  
4 facility, and it later turns out to be all false, right?

5 A. That's right.

6 Q. And you claim that he was getting 50 percent of the profits  
7 when you were bringing in all of the money, investing by  
8 yourself, and doing all of the legal and financial aspects, but  
9 he was getting 50 percent of the profits for forwarding  
10 messages you dictated?

11 A. That was not what it was for. He did receive 50 percent of  
12 the profits for bringing the opportunity. This was, again, our  
13 understanding. And our deal was with the same thing with the  
14 cops, this came through a cop, from David Colon. I was the  
15 money man and Jeremy was the detail man. He brought the  
16 opportunity to me, we were partners in any profit. He was  
17 responsible to deal with the nuances and the details, and I was  
18 the money man.

19 Q. And that's all on your word, right?

20 A. No, that's what happened.

21 Q. Well, we have to rely on your word for that that's what  
22 happened, right?

23 MR. BELL: Objection.

24 THE COURT: Thank you. Sustained.

25 Q. Well, sir, is there any documentation of that?

IBTTGRA2

Rechnitz - Cross

1 A. There may be text messages between me and Jeremy.

2 Q. Have you seen them?

3 A. No.

4 Q. And there was no contract, right?

5 A. No.

6 Q. And it is customary when someone brings a deal to the table  
7 for them to get a finder's fee, right?

8 A. When there's not any illegalities involved, that's custom.

9 Q. Was there illegalities of your investors investing in the  
10 Peralta deal?

11 A. Sorry, I misunderstood. I thought you asked if there was  
12 an understanding between me and Jeremy.

13 Q. No, I asked you whether it is customary for when someone  
14 brings a deal to the table when they have no money to invest  
15 and no investors that they get a finder's fee, they don't get  
16 50 percent of the deal. Right?

17 A. I can't generalize, I can only tell you what happened.  
18 These are the facts.

19 Q. And there came a time that you found -- when you were  
20 bringing these investors in, you were the one speaking with  
21 them, right?

22 A. Yes, I dealt with the investors, they were my --

23 Q. You were lying to the investors, right?

24 A. Yes, I was.

25 Q. And you were telling them that you were investing more

IBTTGRA2

Rechnitz - Cross

1 money than you were?

2 A. That's right.

3 Q. And that was to induce them to invest their money also,  
4 right?

5 A. Right.

6 Q. And you were also not telling them that you were getting a  
7 commission?

8 A. That's right, I lied.

9 Q. And there came -- because of your lies, these people  
10 invested money, right?

11 A. I think partially because of my lies they did, yes.

12 Q. And there came a time when you found out that Peralta was a  
13 Ponzi scheme, right?

14 A. There came a time when I found out, yes.

15 Q. You didn't know it at first, right?

16 A. That's right.

17 Q. And you lost some money when investing with Peralta.

18 A. Yes.

19 Q. But other people lost a lot more money, right?

20 A. There was only one person who lost, yes.

21 Q. But that one person was a good friend of yours, right?

22 A. Yes.

23 Q. And he lost several million dollars?

24 A. That's right.

25 Q. And the only persons that you reimbursed were your

IBTTGRA2

Rechnitz - Cross

1 father-in-law, right?

2 A. That's right.

3 Q. And another good friend who had recently lost a child,  
4 right?

5 A. That's right.

6 Q. But your good friend Mr. Weinberger, you didn't try to  
7 reimburse him, right?

8 A. I was not able to.

9 Q. Because you didn't have a couple million dollars to give  
10 him, is this what you're saying?

11 A. Yes.

12 Q. You couldn't pay him back over time either?

13 A. Again, I don't want to break privilege, I'm not in contact  
14 with him right now, but it's definitely something that after  
15 all this passes I will try and make it up with him.

16 Q. We'll discuss that.

17 A. Pardon?

18 Q. We'll get to that, sir.

19 Now there was another hard money loan scheme that you  
20 were involved in, right?

21 A. Yes.

22 Q. And that was Jason Nissen, right?

23 A. Yes.

24 Q. And Jason Nissen had a ticket broker company called  
25 National Events Company, is that correct?

IBTTGRA2

Rechnitz - Cross

1 A. That's right.

2 Q. And it had some other names also for the same group of  
3 companies, right?

4 A. Yes.

5 Q. And it's referred to sometimes as Neco or NECO?

6 A. Yes, ma'am.

7 Q. And he would sell -- and that ticket broker company would  
8 sell tickets to sporting events and concerts, right?

9 A. Yes.

10 Q. And you would get tickets from there sometimes, right?

11 A. Pardon?

12 Q. You would get tickets for yourself sometimes from there,  
13 right?

14 A. Yes.

15 Q. Like those Knicks tickets we saw earlier, right?

16 A. Yes.

17 Q. That's where you got them from, right?

18 A. Yes.

19 Q. And you didn't pay for them, did you?

20 A. I did.

21 Q. He would charge it to your commissions, right?

22 A. So I paid for it. I had a balance with him of money he  
23 owed me, and it got deducted from there. So rather than  
24 getting a check or wire, he gave me tickets in exchange one  
25 year. Another year I actually paid for them. It depends on

IBTTGRA2

Rechnitz - Cross

1 the year.

2 Q. We'll get to that. But you started financing and helping  
3 Mr. Nissen finance his ticket purchases by having investors  
4 loan you money -- him money, correct?

5 A. That's right. I brought investors to him.

6 Q. And now on this hard money loan, Jeremy Reichberg was not  
7 involved at all, right?

8 A. Not in actual investments, just in obtaining tickets for  
9 Jason for cops and other reasons.

10 Q. Sir, you understand we're talking about the investment,  
11 right?

12 A. Yes. I'm trying to be precise, I apologize.

13 Q. And you want to say that Jeremy Reichberg was involved  
14 somehow, right?

15 MR. BELL: Objection.

16 THE COURT: Sustained.

17 Q. But he was not involved in the investment, right?

18 A. No, he was not.

19 Q. And sir, he didn't invest any money in it, right?

20 A. Right.

21 Q. He didn't bring any investors to it, right?

22 A. That's right.

23 Q. He didn't get any money out of it, right?

24 He didn't get any commissions from this, right?

25 A. That's right.



IBTTGRA2

Rechnitz - Cross

1 Q. He didn't share in your commissions, right?

2 A. That's right.

3 Q. And you brought investors to Neco for the time period 2011  
4 to 2016, correct?

5 A. I believe those are the years, yes.

6 Q. And you, like with the Peralta scheme and the Nissen  
7 scheme, you also lied to people to induce them to invest,  
8 right?

9 A. Again, I lied to the same person, to Michael Weinberger,  
10 yes.

11 Q. You didn't tell anybody about the commissions you were  
12 making, right?

13 A. Yes, I did.

14 Q. You say you told people about the commissions?

15 A. Yes.

16 Q. Well, there were written contracts for this investment,  
17 right?

18 A. Yes, just like the liquor, written promissory notes between  
19 the investor and the borrower.

20 Q. And for every time that they would invest there would be a  
21 written contract, right?

22 A. Yes.

23 Q. And those written contracts did not mention a commission  
24 being paid to you, right?

25 A. Right.

IBTTGRA2

Rechnitz - Cross

1 Q. So it's your claim you told people orally, right?

2 A. I did.

3 Q. And that's your claim, right, sir?

4 A. I did. It's a fact.

5 Q. And there is no email showing that, right?

6 A. I'm not sure. There may be.

7 Q. Have you seen any?

8 A. Not that I could recall.

9 Q. And it would have been easy to put the fact that you were  
10 getting a commission into the contract, right?

11 A. No, it's a promissory note, it was not a contract. A  
12 promissory note is an agreement between a borrower and the  
13 lender containing the terms of their actual deal.

14 Q. Are you saying you couldn't also put a disclosure in that  
15 promissory note that you were getting a commission from that?

16 MR. BELL: Objection, your Honor.

17 THE COURT: Thank you. Sustained.

18 Q. Well, sir, am I correct, you could have put that in there,  
19 right?

20 A. I could have put anything in there, yes.

21 Q. When you say it was a promissory note, that doesn't mean  
22 you couldn't tell people about the commission in writing there,  
23 right?

24 MR. BELL: Objection, your Honor.

25 THE COURT: Thank you. You can answer that question.

IBTTGRA2

Rechnitz - Cross

1 A. That's not common.

2 Q. Sir, Mr. Nissen would pay your investors two percent per  
3 month for the investment, is that correct?

4 A. There were different rates for different investments at  
5 different times, typically between two to three percent a  
6 month.

7 Q. Two percent is like the low end, right?

8 A. Yes.

9 Q. And the investments typically lasted 30 to 60 days, is that  
10 correct?

11 A. No.

12 Q. Is that what you testified to previously, sir?

13 A. Some investments were. I think you asked me typically, so  
14 the answer is no. That was the liquor is what I testified.

15 Nissen, some investments lasted a year, some were six  
16 months, some were four months, some were three months. It  
17 depended on each particular event being invested in.

18 Q. The World Cup was the year long one, right?

19 A. Yes.

20 Q. Sir, do you recall that you testified at a prior proceeding  
21 that with respect to Mr. Nissen that the investors would get a  
22 contract for him for the purchase of these tickets and he would  
23 resell them, and between 30 to 60 days later he was supposed to  
24 pay back the investors with their profit?

25 MR. BELL: Objection, move to strike.

IBTTGRA2

Rechnitz - Cross

1 THE COURT: Thank you. Sustained.

2 Counsel, can you rephrase?

3 MS. NECHELES: Yes, your Honor, I will move on.

4 Q. So sir, you say now that -- your testimony that the  
5 contracts would last between three -- what would you say was  
6 the typical contract?

7 A. It depends. Each event was different. We went into  
8 different sporting events. So the World Cup, for example,  
9 depending when someone invested, it was a year. The US Open  
10 would be anywhere from four to six months. A Superbowl  
11 investment would probably be around three months. The NCAA or  
12 March Madness or NBA All Star could be two months. It really  
13 depended on the event.

14 Q. Let's take, for example, a three-month contract as an  
15 example, because I want to talk about the numbers for a minute.  
16 All right?

17 A. Okay.

18 Q. So for a three-month contract, if it was two percent,  
19 that's two percent per month, right?

20 A. Yes.

21 Q. So on an annualized basis that would be 24 percent  
22 interest?

23 A. Yes.

24 Q. And it could be as high as three percent a month, right?

25 A. Right.

IBTTGRA2

Rechnitz - Cross

1 Q. And that would be 36 percent interest?

2 A. If it went the whole year it would be 36 percent, yes.

3 Q. But that would be the interest rate, correct?

4 A. Yes, ma'am.

5 Q. So even if it's three months, that's the interest rate that  
6 he's paying, right?

7 A. Right. If it went three months, he's paying nine percent.

8 Q. But the annualized interest rate would be 36 -- between 24  
9 and 36 percent, right?

10 A. Yes.

11 Q. So for example, when you go to a bank, you hear -- you get  
12 told what the annual interest rate is, right?

13 MR. BELL: Objection.

14 THE COURT: Thank you. You can answer the question.

15 A. I think it depends on what kind of loan. If you're going  
16 for a construction loan or property purchase, a home equity  
17 line, I think there's different terminologies for each type of  
18 a loan.

19 Q. But sir, you understand that people tend -- you want to  
20 understand how much money is costing you, you want to think  
21 about it on an annualized basis, right?

22 MR. BELL: Objection.

23 THE COURT: Thank you. Sustained.

24 Q. Okay. But putting all that aside, the annualized interest  
25 rate means how much would it cost -- if you have this two

IBTTGRA2

Rechnitz - Cross

1 percent a month, how much would it cost you per year, right?

2 Do you understand that?

3 A. I believe that's an annualized rate.

4 Q. So the annualized interest rate on what you were charging  
5 was between 24 and 36 percent, correct?

6 A. In the example of two to three percent a month, that would  
7 be correct.

8 Q. That was the example you gave. That's what you said,  
9 right?

10 MR. BELL: Objection.

11 THE COURT: Sustained.

12 Q. Well, am I correct that that is what was being charged?

13 MR. BELL: Objection.

14 THE COURT: Thank you. You can answer.

15 A. Again, each deal was different. So in the case where we  
16 charged two percent a month, if someone loaned money for two  
17 months he would be paying four percent on the investment. But  
18 at an annualized rate, hypothetically, it would have been  
19 24 percent had an investment gone for a year, which it did not.

20 Q. And in addition to the two or three percent interest rate,  
21 you also got a commission, right?

22 A. Yes.

23 Q. And that commission was between five and ten percent,  
24 right?

25 A. That's right.

IBTTGRA2

Rechnitz - Cross

1 Q. And that was on every deal, right?

2 A. Yes.

3 Q. And often people who invested, you have testified, would  
4 roll over their money into a new deal, right?

5 A. On occasion they would do that.

6 Q. But even if the money got rolled over, you still -- you got  
7 an additional five or ten percent of the commission, right?

8 A. On every new investment I was paid a fee for bringing money  
9 to the table.

10 Q. That doesn't mean every new person putting money in, it  
11 means every time money was put into a loan situation you got  
12 five or ten percent, right?

13 A. That's right, every new investment.

14 Q. So for example, if \$100,000 was invested in a three-month  
15 deal and it kept being invested, you would get between five and  
16 ten percent the first three months, right?

17 A. Again, if \$100,000 was the investment amount, assume I  
18 would be paid --

19 Again, this is hypothetical, right?

20 Q. Yes.

21 A. -- \$5,000.

22 You are asking about a three-month deal?

23 Q. Yes.

24 A. So I would make \$5,000. If that money was reinvested for  
25 month four, I would make another \$5,000.

IBTTGRA2

Rechnitz - Cross

1 Q. That's a real cost. Mr. Nissen was paying that money out,  
2 right?

3 A. Yes, it was my fee for bringing money to the table.

4 Q. And so say the interest or the commission that you were  
5 getting was five percent on a \$100,000 and it was three-month  
6 investments. That would mean that four times during that year  
7 you would get paid \$5,000 on that \$100,000, right?

8 A. Right. If the same 100,000 is invested four times at  
9 three-month intervals, which I can't think of an occasion that  
10 would happen, I would make \$20,000 on that investment for the  
11 year.

12 Q. And Mr. Nissen would pay 20,000 on that, right?

13 A. On the four investments, yes.

14 Q. In addition, he would be paying another 24 to \$36,000,  
15 right?

16 A. Separate and apart from me he would be paying the investor  
17 whatever their contract said. So if it was two percent a month  
18 over three months, the investor would make six percent. If the  
19 investor went in four times with him he would have six plus six  
20 plus six plus six, which is 24 percent over the year.

21 (Continued on next page)



IBTKGRA3

Rechnitz - Cross

1 BY MS. NECHELES:

2 Q. So it would cost him the \$20,000 he paid you plus the  
3 24,000 in interest or 36,000 in interest that he would pay,  
4 right? That's what it would cost him to borrow \$100,000 for a  
5 year under our hypothetical, correct?

6 A. In your scenario, that's how the math works out, yes, but,  
7 again, if somebody gave Mr. Nissen a hundred thousand dollars  
8 for the entire year, I would only make \$5,000. He wouldn't  
9 have to pay me 20.

10 Q. Okay. But we're talking about under a four-month deal,  
11 right?

12 A. I think you're talking about four three-month separate  
13 deals.

14 Q. Correct.

15 A. Hypothetically, that's what would happen, yes.

16 Q. And the only deal that was a yearlong deal was the World  
17 Cup, right?

18 A. I can't say that with certainty. I just want to be  
19 precise, but I think that's the case.

20 Q. So under this scenario, what we were talking about before,  
21 it would cost Mr. Nissen, to borrow \$100,000 for a year,  
22 between 44,000 and 56,000 dollars, that would be his cost for  
23 borrowing \$100,000 per year, right?

24 A. No. His cost would be the interest he has to pay to the  
25 borrower, which would be 24 to 36 thousand dollars for the

IBTKGRA3

Rechnitz - Cross

1 year.

2 Q. Well, that would be his interest rate, right?

3 A. Right.

4 Q. But he's actually paying out money for your commission,  
5 too, right?

6 A. Yes, if you want to include my commission.

7 Q. So that's his cost, that's what I'm doing, you understand  
8 that, sir, right?

9 A. Okay. Yes.

10 Q. His cost is between 44,000 and 56,000 a year on \$100,000,  
11 right?

12 A. On \$100,000, four times, that's the answer, yes.

13 Q. So the actual cost could have been higher or it could have  
14 been lower, right?

15 A. Right.

16 Q. But that's a tremendous amount of money to be paying out on  
17 to borrow money, right?

18 A. Yes.

19 Q. Am I correct, sir, that Nissen turned out to be a Ponzi  
20 scheme, also?

21 A. That's right.

22 Q. And this was the second Ponzi scheme that you had your  
23 investors invest in, right?

24 A. It was actually the third.

25 Q. Well, I'm just talking right now about Peralta and Nissen,

IBTKGRA3

Rechnitz - Cross

1 okay? We'll stay with that for a minute.

2 A. Okay. You asked me a question. I'm just trying to answer  
3 it precisely. It's the third Ponzi scheme that I have brought  
4 money to.

5 Q. Okay. And, sir, what was the other one?

6 A. Platinum Partners.

7 Q. So that was the one you bribed someone to put money into;  
8 is that correct?

9 A. That's the one where Murray Huberfeld, Jeremy Reichberg,  
10 and I were followed with a bribe with Norman Seabrook to invest  
11 money into the hedge fund which ended up becoming a Ponzi.

12 Q. All right. We'll talk about that in a few minutes, all  
13 right? So put that to the side because that was separate,  
14 right? That was not you bringing your normal investors into  
15 it, right?

16 A. It was a different investor.

17 Q. Okay. You did not have your group of investors invest in  
18 Platinum, right?

19 A. No.

20 Q. So the two Ponzi -- or the two big investments you had your  
21 group of investors invest in for hard money loans was first  
22 Peralta and then Nissen, right?

23 A. That's right.

24 Q. And they both turned out to be Ponzi schemes, right?

25 A. Yes.

IBTKGRA3

Rechnitz - Cross

1 Q. And you claim that with Mr. Nissen, you did not know that  
2 it was a Ponzi scheme, right?

3 A. That's right.

4 Q. But you knew that Mr. Nissen was paying an outlandish  
5 amount of money to borrow money, right?

6 A. That's right.

7 Q. You knew that Mr. Nissen was often late in paying back  
8 money?

9 A. That's right.

10 Q. And he was having trouble paying back money, right?

11 A. That's right.

12 Q. He was having trouble paying your commissions, right?

13 A. At times, yes.

14 Q. And he was bouncing checks sometimes, right?

15 A. That's right.

16 Q. And he was giving all sorts of excuses about why he  
17 couldn't pay back money, right?

18 A. That's right.

19 Q. And you say you were checking on it, right?

20 A. Yes.

21 Q. But all of those things are the hallmarks of a Ponzi  
22 scheme, right?

23 MR. BELL: Objection.

24 THE COURT: You can respond to the question.

25 THE WITNESS: No. I actually trusted him. He

IBTKGRA3

Rechnitz - Cross

1 supplied me with tax returns and --

2 BY MS. NECHELES:

3 Q. I did not ask that.

4 THE COURT: I'm sorry, allow the witness to finish.

5 THE WITNESS: He supplied me with his tax returns and  
6 with his booking records. At the end I found out that he  
7 falsified all the documents in his checks, and he photoshopped  
8 them. I had no way to know that.

9 Q. Okay. But, sir, I asked you when there are outlandish  
10 interest rates failing to pay back money, using one investor's  
11 money to pay another investor, those are the indicia of a Ponzi  
12 scheme, right?

13 A. Given my experience to date, that's something I would  
14 answer yes today, which I would not have answered yes back  
15 then.

16 Q. Okay. But you had already gone through a Ponzi scheme,  
17 right?

18 A. They were both at the same time.

19 Q. And, sir, you knew that you were lying to get people to  
20 invest in this Ponzi scheme, right?

21 A. Yes.

22 Q. And you were doing it because you were making a lot of  
23 money by it, right?

24 A. Yeah, I was greedy.

25 Q. And your lies were quite elaborate at times, right?

IBTKGRA3

Rechnitz - Cross

1 A. Yes.

2 Q. Your lies to Michael Weinberger, your good friend, were  
3 very elaborate, right?

4 A. Yes.

5 Q. You would dictate elaborate multistep lies to put into  
6 emails, you would dictate those to Mr. Nissen to send to  
7 Mr. Weinberger, right?

8 A. Yes, that's right.

9 Q. And you did that to cause Mr. Weinberger to believe that  
10 you and other people, your father-in-law, were putting money  
11 into this scheme, or to Mr. Nissen's company, when you weren't,  
12 right?

13 A. That's right. Regrettably, yes.

14 Q. And this is a person -- Mr. Weinberger was a person who his  
15 family and your family were very close, right?

16 A. That's right.

17 Q. You used to go away on vacation together, right?

18 A. Yes.

19 Q. And you spent a lot of time together, right?

20 A. Yes.

21 Q. But you were deceiving him about what you were doing,  
22 right?

23 A. That's right.

24 Q. And defrauded him about your intentions, right?

25 A. That's right.

IBTKGRA3

Rechnitz - Cross

1 Q. He didn't know that you intended to deceive him, right?

2 A. Right.

3 Q. Or that you intended to make money off of him, right?

4 A. Right.

5 Q. He thought you were just putting him in this for  
6 friendship, right?

7 A. Yes.

8 Q. But you were really doing it to make money for your own  
9 pocket, right?

10 A. It was out of avarice, yes.

11 Q. You, in fact, made a lot of money on your investment with  
12 Peralta, right?

13 A. Yes.

14 Q. How much did you make in commissions?

15 A. I think I personally made four to five hundred thousand  
16 dollars, my cut, on Peralta.

17 Q. In the commissions?

18 A. Yes.

19 Q. When you say "my cut," what do you mean by that?

20 A. Meaning Jeremy and I split the cash 50/50, so I'm just  
21 calculating my actual cut.

22 Q. Okay. Withdrawn.

23 I was asking you about Nissen. You knew that, right?

24 A. No. You said Peralta, ma'am.

25 Q. All right. Withdrawn.

IBTKGRA3

Rechnitz - Cross

1                   How much did you make in your commissions on Nissen?

2       A.   Oh, on Nissen? I think I made five to six million dollars.

3       Q.   And what are you basing that on?

4       A.   I'm basing it on my memory.

5                   You're asking what I think?

6       Q.   Yes.

7       A.   I think over time, looking back, that's what I made.

8       Q.   Okay. In addition to the commissions, you received a loan  
9       for a million dollars, right?

10      A.   That's right.

11      Q.   And you were supposed to pay this loan back if the  
12      company -- you received a loan supposedly as an advance against  
13      the company getting sold, right?

14      A.   That's right.

15      Q.   And you claim it was a loan, right? There's a loan  
16      document, right?

17      A.   There was a loan.

18      Q.   And there was zero percent interest in that line, right?

19      A.   Yes.

20      Q.   He just gave you a million dollars for you to have for five  
21      years, right?

22      A.   No. I helped him build his company up. So the idea behind  
23      the loan, which I think it may state or it may not, is that he  
24      was giving me an advance against a sale of the company. He had  
25      brought in an investment fund called Falcon, who he said would



IBTKGRA3

Rechnitz - Cross

1 probably buyout the company somewhere north of a hundred  
2 million dollars, and he would be giving me 10 percent of his  
3 share. So the idea discussed between Jason and I was that he  
4 would advance me a million dollars against the sale because it  
5 was taking longer than it should have to actually sell, and in  
6 exchange, he said, we'll, for sure, be sold within five years.

7 Q. Okay. Sir, you got the loan two years before Falcon ever  
8 came on the scene, right?

9 A. Again, I don't know what dates they actually signed with  
10 him, but he was in talks with many companies at that time.

11 Q. When you say you helped him build the company, you charged  
12 him for that, right?

13 A. Yes.

14 Q. You made millions of dollars off of him, right?

15 A. Yes.

16 Q. So you say, in addition to those millions of dollars, he  
17 just gave you a loan out of gratitude that you helped build the  
18 company, right?

19 A. Well, he still needed me at that point, and I negotiated a  
20 good deal for myself.

21 Q. He needed you, and you demanded a million dollars, right?

22 A. Again, he needed me, and I negotiated a good deal for  
23 myself at the time.

24 Q. And that was part of your requirement for you to keep  
25 bringing money to him, right?

IBTKGRA3

Rechnitz - Cross

1 A. I wouldn't call it a requirement. I made a good  
2 negotiation.

3 Q. Okay. And you still didn't know it was a Ponzi scheme,  
4 that he was giving you a million dollars on top of your  
5 commissions?

6 A. No. It was an advance against a future sale of the  
7 company.

8 Q. If the company was not sold within five years, you were  
9 supposed to pay that back, right?

10 A. If everything would have gone straight, yes.

11 Q. That's not my question.

12 The question is whether you were supposed to pay it  
13 back?

14 MR. BELL: Objection, your Honor.

15 THE COURT: I'm sorry. Please go ahead, counsel.

16 Q. Were you supposed to pay that loan back within five years?

17 A. It was a five-year term if the company did not sell.

18 Q. Okay. And that five years has come and gone, right?

19 A. That's right.

20 Q. And you have not paid that money back, right?

21 A. No, I have not.

22 Q. At some point you say you became aware that Nissen was  
23 running a Ponzi scheme, right?

24 A. Yes.

25 Q. And you are aware that he ended up getting prosecuted for

IBTKGRA3

Rechnitz - Cross

1 that, right?

2 A. Yes.

3 Q. And he pled guilty and went to jail for that?

4 MR. BELL: Objection.

5 THE COURT: Thank you.

6 Sustained.

7 BY MS. NECHELES:

8 Q. Well, he's no longer in business, right?

9 A. I don't know his current status. I know that he pled  
10 guilty to running a Ponzi scheme.

11 Q. And he's no longer in business, right?

12 A. Yeah, I don't know his status. I had heard that he was  
13 still trying to run a ticket business.

14 Q. Okay. But his company, NECO, is in bankruptcy, right?

15 A. That's correct.

16 Q. Am I correct that the bankruptcy trustee has sent you a  
17 letter demanding that you repay the \$9,341,469 that you  
18 received from NECO as fraudulent conveyances and preferences;  
19 am I correct?

20 A. That's a letter they sent to my attorney, addressed to my  
21 company, JSR, yes.

22 Q. So when they sent it to your attorney, you understood that  
23 they were sending it to your attorney for you, right?

24 A. Yes.

25 Q. And that that was the amount that they calculated that you

IBTKGRA3

Rechnitz - Cross

1 had received from NECO, right?

2 A. I don't know how they came to that determination. That's  
3 not a number I agree with.

4 Q. So when you say -- they wrote this letter to you on  
5 June 26, 2018, right?

6 A. Yes.

7 Q. And it was a demand letter, right?

8 A. I'm not sure. I didn't look at it.

9 Q. You didn't look at it?

10 A. No. I didn't even respond to it.

11 Q. Why?

12 A. Because it's factually incorrect, and there are reasons I  
13 can't get into, which breach client-attorney privilege.

14 Q. When you say "it's factually incorrect," you understand  
15 that they asked you to come in and speak with them about it?

16 A. Again, I don't know what the letter says, and I really  
17 don't want to breach attorney-client privilege on this topic.

18 Q. Okay. I'm asking about you, sir. You did not try to find  
19 out what this -- how they calculated that 9,300,000 and  
20 whatever, right?

21 A. No. No.

22 Q. So when you say you don't know how they calculated, the  
23 reason you don't know is because you didn't try to find out,  
24 right?

25 MR. BELL: Objection.

IBTKGRA3

Rechnitz - Cross

1 THE COURT: Sustained.

2 BY MS. NECHELES:

3 Q. Well, did you try to find out?

4 A. Again, I can't -- this is a very uncomfortable question  
5 because I don't want to breach attorney-client privilege.

6 Q. No, I'm asking what you did. I'm not asking what your  
7 attorney told you.

8 MR. BELL: Objection, your Honor.

9 THE COURT: Thank you.

10 I'm sustaining the objection.

11 Q. Did you do something -- I don't want to know what your  
12 attorney told you. I'm asking did you do something to find out  
13 what that amount was for?

14 MR. BELL: Objection, your Honor.

15 THE COURT: Thank you.

16 Sustained.

17 Q. All right. Sir, but you don't know, right? You don't know  
18 as of today, right?

19 A. Pardon?

20 Q. You don't know, as of today, what that 9,300,000 -- well,  
21 that \$9,341,469 represents, right?

22 A. No. I don't owe them any money.

23 Q. You think you don't owe them any money, is that your  
24 story -- your testimony?

25 A. I do not owe them money.

IBTKGRA3

Rechnitz - Cross

1 Q. But you obtained commissions there that you got by means of  
2 fraud, right?

3 A. Yes.

4 Q. And people, investors, lost a lot of money, right?

5 A. One of my investors lost money.

6 Q. Well, a lot of other investors lost a lot of money, too,  
7 right?

8 A. Unrelated to me.

9 Q. Some people, you had brought in, right?

10 A. Not that I was involved with, no.

11 Q. Well, initially, you had brought them in, right?

12 A. Sorry. I don't know what you're referring to.

13 Q. Well, Mr. Turgeman, was he investing in this?

14 A. He had invested through me for a period of time, and then  
15 once I stopped doing investments with Jason, without my  
16 knowledge, he directly invested with Nissen.

17 Q. These people lost a lot of money, right?

18 A. I don't have firsthand knowledge. I can't answer that.

19 Q. Mr. Weinberger, your good friend, lost millions here,  
20 right?

21 A. Yes. He's the only investor that lost money.

22 Q. So that's the second Ponzi scheme that you caused  
23 Mr. Weinberger to lose a lot of money in by lying to him,  
24 right?

25 A. I don't want to play with words, but I didn't cause a Ponzi

IBTKGRA3

Rechnitz - Cross

1 scheme.

2 Q. Okay.

3 A. It's the second investment out of the many investments  
4 Weinberger had with me where it turned into a Ponzi.

5 Q. And you previously said that you hoped some day to make it  
6 good to Mr. Weinberger, right?

7 A. Yes, I will.

8 Q. But here you have the opportunity to do that by responding  
9 to the bankruptcy trustee, who is trying to get money for the  
10 investors, right?

11 MR. BELL: Objection.

12 THE COURT: Thank you.

13 Sustained.

14 BY MS. NECHELES:

15 Q. Well, you could have dealt with this bankruptcy trustee,  
16 which would have helped make Mr. Weinberger good, right?

17 MR. BELL: Objection.

18 THE COURT: Thank you.

19 Sustained.

20 Q. Well, you didn't try to help Mr. Weinberger here, did you?

21 A. Again, I can't answer that question. It would breach  
22 attorney-client privilege.

23 Q. I'm not asking for you to do that, sir. I'm just asking  
24 for whether you tried to help him.

25 MR. BELL: Objection, your Honor.

IBTKGRA3

Rechnitz - Cross

1 THE COURT: Thank you.

2 Sustained.

3 BY MS. NECHELES:

4 Q. Sir, when you testified a little while ago that you  
5 received 4 or 5 million dollars in commission, you knew that  
6 the bankruptcy trustee had calculated a very different number,  
7 about twice as much as you were saying, right?

8 A. I think I testified --

9 MR. BELL: Objection.

10 THE COURT: I'm sorry, I accept the answer.

11 Continue.

12 THE WITNESS: I think I testified a few moments ago 5  
13 to \$6 million, not 4 to \$5 million.

14 Q. Okay. But you knew that the bankruptcy trustee had  
15 calculated a number in excess of 9 million, right?

16 MR. BELL: Objection; hearsay.

17 THE COURT: Thank you.

18 You can answer the question.

19 THE WITNESS: Are you asking that now or when I  
20 estimated my numbers previously?

21 BY MS. NECHELES:

22 Q. I'm asking when you testified in this court just a few  
23 minutes ago.

24 A. Yes, you asked me how much money I was paid in commission,  
25 and I answered you truthfully, somewhere between 5 to 6 million



IBTKGRA3

Rechnitz - Cross

1 dollars.

2 Q. You knew the bankruptcy trustee had calculated a very  
3 precise number that was over \$9 million, right?

4 MR. BELL: Objection, your Honor.

5 THE COURT: Thank you.

6 You can answer the question.

7 THE WITNESS: I don't know if that was their  
8 calculation based on just commissions or other penalties they  
9 added. I don't know what is behind that number because it's a  
10 number that's far in excess of commissions I received.

11 Q. You chose not to disclose that here, right?

12 MR. BELL: Objection, your Honor.

13 THE COURT: Thank you.

14 Sustained.

15 BY MS. NECHELES:

16 Q. Sir, one of the ways -- Mr. Nissen paid your commission in  
17 a variety of ways, right?

18 A. Right.

19 Q. And you testified on direct examination that one of the  
20 ways that he paid your commission was by paying your credit  
21 card, right?

22 A. Right.

23 Q. And he would pay -- instead of giving you a wire transfer  
24 or money directly to you, he would wire transfer and pay money  
25 to your credit card, right?

IBTKGRA3

Rechnitz - Cross

1 A. That's right.

2 Q. You testified on direct examination that you intended not  
3 to declare that income, right?

4 A. That's right.

5 Q. So it was being paid to your credit card, and it was your  
6 intent at the time, I'm not going to pay income on that, right?

7 A. Right. I was going to avoid paying taxes on that income.

8 Q. Okay. And in addition to him doing that on your credit  
9 card, you also had Mr. Nissen pay for jewelry you bought  
10 sometimes, right?

11 A. Yes.

12 Q. And you would ask, or you would say to somebody, here --  
13 you would tell Mr. Nissen, I want to buy jewelry from another  
14 individual, so can you please go pay for that, right?

15 A. On occasion, yes.

16 Q. And that was another way that you -- and you did that  
17 deliberately to avoid paying taxes on that income, right?

18 A. Yes, ma'am.

19 Q. And, sir, you were asked about this in prior trials, right?

20 MR. BELL: Objection.

21 THE COURT: Thank you.

22 Sustained.

23 BY MS. NECHELES:

24 Q. Okay. In prior proceedings, sir, you testified about this,  
25 right?

IBTKGRA3

Rechnitz - Cross

1 A. Yes.

2 Q. And am I correct, sir, that in your prior proceeding, you  
3 were specifically asked if the reason that your credit card was  
4 paid was so that you could avoid paying taxes, and you answered  
5 no?

6 A. Is that a question?

7 Q. Yes.

8 A. There were a few prior proceedings. In the first prior  
9 proceeding, I was asked that question, and the way I understood  
10 the question was, was that my sole motive. I misunderstood the  
11 question. So in the second prior proceeding, when I was asked  
12 that question again, I clearly answered that, yes, that was one  
13 of my motives.

14 And my testimony today, just like the last proceeding,  
15 is one of my motives to have my credit card paid was to avoid  
16 declaring income on my taxes.

17 Q. Okay. Sir, so I want to be clear: In the first  
18 proceeding, you were asked the following question: Am I  
19 correct that --

20 MR. BELL: Objection, your Honor.

21 THE COURT: You can proceed, counsel.

22 Q. You were asked: "So the real reason he paid your credit  
23 card bill was so that you would be able to avoid taxes?"

24 And you answered: "That is not correct." Page 10 --  
25 or 1403.

IBTKGRA3

Rechnitz - Cross

1 MR. BELL: Objection, your Honor.

2 THE COURT: Sustained.

3 MS. NECHELES: I was telling that for the -- I'm  
4 sorry, I was telling that for the prosecutor.

5 MR. BELL: Objection.

6 THE COURT: Sustained.

7 BY MS. NECHELES:

8 Q. Am I correct that you were asked that question and gave  
9 that answer?

10 A. Again, I was asked the real reason, as I understood that  
11 question, meaning the prime reason. That was not the prime  
12 reason. I had a few reasons that I wanted my credit card to be  
13 paid by Nissen. One was to avoid paying taxes. Another was  
14 because it would give Nissen more time to pay me, which made  
15 him happy. I wanted to keep him happy as well.

16 So when I was asked that question, my understanding of  
17 the question was that was that the prime reason, and I think I  
18 answered -- I know I answered it truthfully. In another  
19 proceeding, I was asked --

20 Q. Sir, can we --

21 MR. BELL: Objection.

22 THE COURT: I'm sorry. Counsel, can you please allow  
23 the witness to finish his answer?

24 MS. NECHELES: Okay.

25 THE WITNESS: In another proceeding, I was asked once

IBTKGRA3

Rechnitz - Cross

1 again in a more clear fashion, was that one of the reasons that  
2 you got paid by credit card, and my answer then is the same as  
3 my answer now. I intentionally had Nissen pay my credit card,  
4 so I could avoid paying taxes. It's something I did knowingly.

5 Q. I see.

6 And, sir, let me be clear: In the first proceeding,  
7 you were asked by an individual whether Mr. Nissen on occasion  
8 paid -- I'm sorry, withdrawn -- you were asked whether  
9 Mr. Nissen would owe you money on occasion, and then he would  
10 pay your credit card, and you said: The reason he paid your  
11 credit card instead was to buy him a couple of weeks, right, of  
12 time; am I correct?

13 MR. BELL: Objection, your Honor.

14 THE COURT: Thank you.

15 Sustained.

16 BY MS. NECHELES:

17 Q. Well, did you say that it was to give him more time,  
18 because he wanted more time?

19 MR. BELL: Objection, your Honor.

20 THE COURT: Thank you.

21 Sustained.

22 Q. Well, what was the reason that you are testifying now that  
23 you said there were a couple of reasons?

24 MR. BELL: Objection; asked and answered.

25 THE COURT: Thank you.

IBTKGRA3

Rechnitz - Cross

1           You can answer the question.

2           THE WITNESS: Again, the reason that I had Nissen pay  
3 my credit card rather than give me a check or a wire was  
4 twofold. One reason was so that Nissen had more time to pay me  
5 the money, and I was able to still spend the money while not  
6 having it received in my account yet. And reason B was that I  
7 would be able to avoid putting it on my tax return, since it  
8 was not a direct payment to me.

9 BY MS. NECHELES:

10 Q. And so you understood that there were two reasons, that's  
11 what you're saying, right?

12 A. There were two reasons.

13 Q. And in the first trial, when you were asked about this --

14 MR. BELL: Objection, your Honor.

15 THE COURT: Thank you.

16 Sustained.

17 Q. Well, sir, you testified differently in the first trial,  
18 didn't you?

19 MR. BELL: Objection.

20 THE COURT: Thank you.

21 Sustained.

22 Q. Well, isn't this the opposite of what you testified in the  
23 first trial?

24 MR. BELL: Objection. Your Honor --

25 THE COURT: Sustained.

IBTKGRA3

Rechnitz - Cross

1 Yes, please come on up.

2 MS. NECHELES: I'm sorry. Your Honor, it was a prior  
3 proceeding. A prior proceeding.

4 MR. BELL: Objection, your Honor.

5 THE COURT: Thank you.

6 Sustained.

7 BY MS. NECHELES:

8 Q. Isn't this the opposite of what you testified to in the  
9 prior proceeding?

10 MR. BELL: Objection, your Honor.

11 THE COURT: Thank you.

12 Sustained.

13 Q. Well, did you testify -- isn't it a fact, sir, that in a  
14 prior proceeding, you said that the only reason was that  
15 because you had -- it was to gain three weeks' time or to buy  
16 time, as you said it?

17 MR. BELL: Objection, your Honor.

18 THE COURT: Thank you.

19 I'll permit the answer, and hopefully we can move on.

20 THE WITNESS: In a prior proceeding, unrelated to  
21 today's proceeding --

22 Q. Yes.

23 A. -- I was asked, as you read back, if the primary purpose  
24 was to buy more time for Nissen. I understood that question to  
25 mean the primary reason. As I've answered, and I'm trying to

IBTKGRA3

Rechnitz - Cross

1 effectuate my answer -- maybe please tell me where I'm not --  
2 is that I paid -- I had my credit card paid for two reasons.  
3 Reason number one is to avoid paying taxes, not in any  
4 significant order; reason number two was to buy more time for  
5 Nissen to pay me while I can use the funds even though he  
6 didn't lay them out.

7 Q. All right, sir.

8 In the prior proceeding, you never said that one of  
9 the reasons was to avoid paying taxes, right?

10 MR. BELL: Objection, your Honor.

11 THE COURT: Thank you.

12 Sustained.

13 BY MS. NECHELES:

14 Q. Well, am I correct that the answer that you gave to your  
15 question about taxes was that that was not correct?

16 MR. BELL: Objection, your Honor.

17 THE COURT: Thank you.

18 Sustained.

19 Q. In that prior proceeding, did you ever admit that you were  
20 not paying the credit card because you were -- withdrawn.

21 In that prior proceeding, did you ever admit that  
22 Mr. Nissen was paying your credit card, at least in part, so  
23 that you would not have to pay taxes? Did you ever admit that,  
24 sir?

25 MR. BELL: Objection, your Honor.



IBTKGRA3

Rechnitz - Cross

1 THE COURT: Thank you.

2 Sustained.

3 Let's move on, counsel.

4 MS. NECHELES: Okay.

5 BY MS. NECHELES:

6 Q. And, sir, did you tell the government that before you  
7 started cooperating?

8 A. Did I tell them what?

9 Q. That you had been having Nissen pay your credit card and  
10 pay other expenses in order so that you would not -- with the  
11 intent that you would not pay your taxes?

12 A. While cooperating, I told them that.

13 Q. You told them.

14 What date did you tell them that?

15 A. Whenever I was asked. Whenever I'm asked something, I  
16 answer it.

17 Q. I see.

18 You say you were asked that, and you told them that,  
19 right?

20 A. No. I'm saying -- you are asking me what dates, so I'm  
21 telling you, whenever the topic came up where they brought it  
22 up to me, or I brought it up to them, that would be the date  
23 that it was discussed. I don't know it by heart.

24 Q. Okay. Well, on several occasions, you discussed with the  
25 government the Nissen investment, right?

IBTKGRA3

Rechnitz - Cross

1 A. Yes.

2 Q. And on those occasions, when you discussed this with the  
3 government, you told them that you had not -- you had lied to  
4 investors on occasion by not disclosing that you were getting a  
5 commission, right?

6 A. That's one of the things I told the government, yes.

7 Q. And you had told the government -- you told the government  
8 that you charged a -- or that you had -- you told the  
9 government, in addition, that you didn't disclose -- you told  
10 them that you were investing money as an investor, that you  
11 were investing money when you weren't investing money, right?

12 A. I'm sorry, you're confusing me a bit.

13 Q. Okay. You told them various things about what you had not  
14 told investors and how you caused investors to invest money,  
15 right?

16 A. Yes.

17 Q. But you did not tell them that you had not paid taxes on  
18 income you had gotten, right?

19 A. I did tell them that I did not file taxes from the  
20 beginning.

21 Q. You told them you hadn't filed your tax returns, right?

22 A. Right.

23 Q. But you did not tell them that you had caused Nissen to pay  
24 your credit cards with the intent that you would not pay taxes,  
25 right?

IBTKGRA3

Rechnitz - Cross

1 A. I don't know -- I did tell them. I don't know when I told  
2 them. When the topic came up, as everything else, I answered  
3 truthfully.

4 Q. Okay. Sir, you're saying if they asked you specifically,  
5 you told them?

6 A. I'm not saying that. I'm saying when the topic came up, or  
7 I told them, or they asked me, I don't remember how it came up.  
8 Whenever I realized that that was part of my reason, I shared  
9 that with them.

10 Q. When you say "when I realized it was part of my reason,"  
11 you knew that from the moment you had him pay your credit card,  
12 that one of the reasons you were doing that was because you  
13 didn't want to pay taxes on that money, right?

14 A. That's right.

15 Q. That was your intent all along, right?

16 A. That was one of my intentions.

17 Q. So when you went in to tell the government about your  
18 crimes, that was one of the crimes that was on your mind,  
19 right?

20 A. If it was on my mind, I would have shared it at that point.

21 Q. Okay. Well, sir, am I correct that you began cooperating  
22 with the government in June of 2016?

23 A. Yes.

24 Q. But you continued to have Nissen pay your credit card bill  
25 through the end of 2016, right?

IBTKGRA3

Rechnitz - Cross

1 A. Right.

2 Q. And the reason, as you've testified, for him paying your  
3 credit card, one of the reasons was because you did not intend  
4 to pay taxes on it, right?

5 A. At a point in time, that's correct.

6 Q. All right. Now you're qualifying it, right?

7 A. I don't know. You're asking me a question. I'm just  
8 trying to give you a precise answer.

9 Q. Well, now you say it was only at a point in time that I had  
10 that intent, right?

11 A. No. What I'm saying is at a point in time, that was  
12 correct. There was a moment in time where I was having Nissen  
13 pay credit cards, so I could intentionally not declare it on my  
14 income. The time period you're speaking about, I already knew  
15 I was behind on taxes, and that was not my intention at that  
16 time.

17 Q. Well, you hadn't filed your tax returns, is what you're  
18 saying, right?

19 A. Right. I was behind on my taxes.

20 Q. But you didn't say to Nissen, I'm cooperating with the  
21 government now, I need to do this straight, send me the money  
22 direct to my bank account, did you?

23 MR. BELL: Objection, your Honor.

24 THE COURT: Thank you.

25 Sustained.

IBTKGRA3

Rechnitz - Cross

1 BY MS. NECHELES:

2 Q. Well, you did not tell Nissen to stop paying your credit  
3 card, but, instead, send the money directly to your bank  
4 account after you started cooperating, did you?

5 MR. BELL: Objection, your Honor.

6 THE COURT: Thank you.

7 You can answer the question.

8 THE WITNESS: No. I was not speaking to Nissen much  
9 at that time.

10 Q. Well, you continued to get investments for him and get  
11 large commissions from him, right?

12 A. Right. While I knew -- while I believed that he was a  
13 legitimate business, I continued dealing with him until I was  
14 instructed not to.

15 Q. You continued dealing with him through the end of December  
16 of 2016, right?

17 A. That's right.

18 Q. And so that -- and he continued to pay you commissions to  
19 your credit card throughout 2016, right?

20 A. Right. He had asked me if I can still do that with him, so  
21 that he had more time to pay, and I was fine with it.

22 Q. And you said, go ahead, why don't we go ahead and continue  
23 our tax fraud, is that what you're saying?

24 MR. BELL: Objection, your Honor.

25 THE COURT: Sustained.

IBTKGRA3

Rechnitz - Cross

1 BY MS. NECHELES:

2 Q. Well, you continued to do what you have testified was a tax  
3 fraud after you started cooperating, right?

4 MR. BELL: Objection, your Honor.

5 THE COURT: Thank you.

6 Sustained.

7 Q. Well, sir, you continued to have your credit card bills  
8 paid, right?

9 A. Yes, I did.

10 Q. And, sir, did you tell the government that you were doing  
11 that?

12 A. I think so. I'm not sure.

13 Q. You told the government in 2016 that you were continuing to  
14 have Nissen pay your credit cards instead of paying you  
15 directly?

16 A. I don't think I didn't disclose it. If I was asked, I  
17 would have said it.

18 Q. You're saying if they asked me specifically is Nissen  
19 paying your credit cards, you would have told them, right?

20 A. Absolutely. I have to tell them everything they ask me  
21 truthfully.

22 Q. But if they didn't ask you, you might not have told them,  
23 right?

24 A. If I wasn't doing anything wrong, and there was no crime  
25 involved or intent, I wouldn't tell them, no.

IBTKGRA3

Rechnitz - Cross

1 Q. Okay. But this was a crime, right?

2 A. No.

3 MR. BELL: Objection, your Honor.

4 THE COURT: Sustained. I'm striking the answer.

5 You can proceed.

6 BY MS. NECHELES:

7 Q. And, sir, throughout the time period that you were living  
8 so lavishly and -- well, withdrawn.

9 Throughout the time period that you have been  
10 testifying about, about paying for all these expensive items,  
11 the trips, and things like that for police officers, you were  
12 engaged in this tax fraud, right?

13 MR. BELL: Objection.

14 THE COURT: Thank you.

15 Sustained.

16 Q. Well, sir, wasn't that the time period when you were having  
17 Nissen pay your credit cards?

18 MR. BELL: Objection.

19 THE COURT: Thank you.

20 You can answer the question.

21 THE WITNESS: Nissen paid my credit cards during that  
22 time period.

23 Q. Okay. So the money that you were spending was money that  
24 you were not paying taxes on, right?

25 MR. BELL: Objection.

IBTKGRA3

Rechnitz - Cross

1 THE COURT: Thank you.

2 You can answer the question.

3 THE WITNESS: It was money that I had made as income.

4 I was not committing tax fraud at the time.

5 BY MS. NECHELES:

6 Q. But you were intending not to pay tax on it, right?

7 A. I was intending to, but I did not.

8 Q. You were conspiring to not pay taxes, right?

9 MR. BELL: Objection.

10 THE COURT: Thank you.

11 Can you rephrase the question, counsel?

12 Q. Well, you had agreed with Mr. Nissen to set this up in that  
13 manner, so you wouldn't pay taxes, that was one of the reasons,  
14 right, sir?

15 A. That's right.

16 Q. So you understood that the money you were getting was --  
17 and you believed that it was money that you weren't going to  
18 pay taxes on, right?

19 A. Again, he paid my credit card. The money that I spent, I  
20 received from income.

21 Q. Okay. And the agreement was, am I correct -- withdrawn.

22 The money -- the agreement was, am I correct, that he  
23 would pay 80,000 a month in your credit cards?

24 A. Again, there were different agreements at different times.

25 Q. But at one point --



IBTKGRA3

Rechnitz - Cross

1 A. That sounds familiar for one of the payment plans.

2 Q. Right. That became the agreement, that he would pay  
3 \$80,000 a month in credit card expenses, right?

4 A. If he had owed me several hundred thousand dollars, I  
5 allowed him to split it up over several payments.

6 Q. And he would only pay -- it was only going to be paid  
7 through credit cards, right?

8 A. Not only. I don't think there was any exclusive  
9 arrangement to that effect.

10 Q. And that went on for a while, right?

11 A. Yes.

12 Q. So all of these expenses that you were charging to credit  
13 cards were items that Mr. Nissen was paying, right?

14 A. Some of them. Some, I paid from other sources of funds;  
15 some, he paid. I can't generalize.

16 Q. So that was money that was coming from a Ponzi scheme that  
17 you were not paying taxes on, right?

18 MR. BELL: Objection, your Honor.

19 Q. Or you had no intent to pay taxes on?

20 MR. BELL: Objection.

21 THE COURT: Thank you.

22 Can you rephrase the question, please, counsel?

23 BY MS. NECHELES:

24 Q. Well, sir, it was money coming from Nissen, which you  
25 learned was a Ponzi scheme, which you had no intent to pay

IBTKGRA3

Rechnitz - Cross

1 taxes on, right?

2 MR. BELL: Objection, your Honor.

3 THE COURT: Thank you.

4 Can you rephrase? There's a lot going on in that  
5 question.

6 BY MS. NECHELES:

7 Q. Well, sir, the money that was being paid to your credit  
8 card came from Mr. Nissen, right?

9 A. Some money paid to my credit card came from Mr. Nissen.

10 Q. Well, 80,000 a month, right?

11 A. Again, that sounds familiar as one of the payment plans  
12 that I gave him when he owed me a substantial amount.

13 Q. And are you testifying that generally your credit card  
14 bills were more than 80,000 a month?

15 MR. BELL: Objection.

16 THE COURT: Thank you.

17 You can answer the question.

18 THE WITNESS: No. I'm telling you sometimes they  
19 were, sometimes they weren't.

20 Q. Sir, in fact, that money was coming from a Ponzi scheme,  
21 right?

22 A. As it turns out, Nissen was a Ponzi scheme and --

23 Q. The answer is yes, right?

24 MR. BELL: Objection, your Honor.

25 THE COURT: I'm sorry, counsel. Can you please let

IBTKGRA3

Rechnitz - Cross

1 the witness answer the question.

2 Go ahead.

3 THE WITNESS: As it turns out, Nissen ended up a Ponzi  
4 scheme, so funds that he paid me, I'm not sure were funds from  
5 the Ponzi. I could just tell you he ended up becoming a Ponzi  
6 scheme, unfortunately.

7 BY MS. NECHELES:

8 Q. And, sir, Mr. Nissen was not the only person you were  
9 committing tax or you had this agreement with to have him pay  
10 for things in a way that would avoid you paying taxes, right?

11 A. I can't think of other scenarios other than the cash Jeremy  
12 and I received from him.

13 Q. All right, sir. Isn't it true that you had other people  
14 buy jewelry for you, and you would exchange items for that  
15 jewelry? Isn't that correct?

16 A. It's possible. I can't think of an example, but I'm not  
17 denying that.

18 Q. Okay. That's a tax fraud, right?

19 MR. BELL: Objection, your Honor.

20 THE COURT: Thank you.

21 Sustained.

22 Q. Well, you would do that specifically in order to avoid  
23 paying taxes on an item that was sold, right?

24 MR. BELL: Objection, your Honor.

25 MS. NECHELES: I'm asking a question.

IBTKGRA3

Rechnitz - Cross

1 THE COURT: Thank you.

2 You can answer the question.

3 THE WITNESS: Again, I don't know what you're  
4 referring to, but in that scenario, it could be because of a  
5 short cash flow issue. It could be for many reasons.

6 BY MS. NECHELES:

7 Q. All right. I want to show you what is in evidence as  
8 Defendants' Exhibit 9201, and I would direct your attention to  
9 page 23168.

10 MS. NECHELES: If we can publish that to the jury,  
11 your Honor? It's in evidence.

12 THE COURT: You may.

13 MS. NECHELES: Thank you.

14 BY MS. NECHELES:

15 Q. That was the transaction you had with Motion In Time?

16 A. Can I look at it for a moment, please?

17 Q. Sure.

18 A. Thank you.

19 This is a transaction from Motion In Time. I don't  
20 remember the specific transaction.

21 Q. And, sir, Motion In Time was a watch store, right?

22 A. Yes.

23 Q. You bought a lot of watches, and sometimes you sold watches  
24 there; is that correct?

25 A. I bought, sold, and traded.

IBTKGRA3

Rechnitz - Cross

1 Q. Okay. And sometimes you traded watches there, right?

2 A. Yes.

3 Q. When it says traded, what you mean by that is you had  
4 purchased the watch, and now you were selling it in exchange --  
5 but instead of getting money, you were getting other goods in  
6 exchange, right?

7 A. Well, I would have to add money as well. I usually trade  
8 up.

9 Q. Okay, sir. Can we answer my question?

10 MR. BELL: Objection, your Honor.

11 THE COURT: Thank you.

12 Counsel, you can proceed.

13 BY MS. NECHELES:

14 Q. All right, sir. So my question is that when we say  
15 exchange, what you would mean is you had purchased a watch, and  
16 now you were selling it, but instead of getting back cash, you  
17 would get another item, right?

18 A. That would be part of the transaction. That's not the  
19 complete transaction.

20 Q. Okay. Well, let's look at this transaction here, 23168.  
21 On this transaction, you received a gold and diamond bracelet  
22 and also a Rolex in exchange for two Rolexes that you sold,  
23 right?

24 A. I don't see any bracelet.

25 Q. Oh --

IBTKGRA3

Rechnitz - Cross

1 A. I purchased the Cartier Rose Gold for \$25,000, and I  
2 purchased a Rolex Day-Date II Yellow Gold President for  
3 25,000 -- I remember that watch -- and I traded it even for a  
4 Rolex Daytona Platinum and a Rolex Day-Date President.

5 Q. When you say you traded it even, you mean you got no money,  
6 you got no cash back, right?

7 A. Again, that's what this invoice says.

8 Q. Okay. Sir, you're not saying it's a false one, are you?

9 MR. BELL: Objection, your Honor.

10 THE COURT: Thank you.

11 You can answer the question.

12 THE WITNESS: I can't comment to the invoices. I know  
13 that this company had invoices which were produced for me  
14 yesterday, and they were missing a lot of our purchases that  
15 were done with cash.

16 BY MS. NECHELES:

17 Q. Okay. I understand that. But this is an invoice where it  
18 says "Traded even for," right?

19 A. That's what it says.

20 Q. And you received that invoice, right?

21 A. No. It's my first time seeing it.

22 Q. But this was your transaction, right?

23 A. Again, I don't remember this transaction.

24 Q. Well, when you traded an item like this, and you got back  
25 \$50,000 in goods, that means you made \$50,000 from the sale of

IBTKGRA3

Rechnitz - Cross

1 these items, right?

2 A. No, it doesn't. It means I traded one item for another.

3 Q. Sir, that's called bartering, right?

4 A. No, I don't think so. I think it's very simple trade. If  
5 I switch my tie for someone else's tie in the room, and they're  
6 of equal value, I don't see a taxable --

7 MR. MERINGOLO: Objection.

8 THE COURT: Thank you.

9 You can proceed.

10 A. -- I don't see any taxable situation there.

11 Q. Okay. You think it's not taxable, that's your mindset, you  
12 think it's not taxable when, instead of getting cash, you get  
13 back goods, that that makes it nontaxable, is that your  
14 testimony?

15 MR. BELL: Objection, your Honor.

16 THE COURT: Thank you.

17 Sustained.

18 Q. Okay. But that's your belief?

19 MR. BELL: Objection, your Honor; calls for a legal  
20 conclusion.

21 THE COURT: Thank you.

22 Sustained.

23 MS. NECHELES: I'm just trying to understand, your  
24 Honor.

25 THE COURT: Thank you.

IBTKGRA3

Rechnitz - Cross

1 If you could focus on the --

2 MS. NECHELES: Okay.

3 BY MS. NECHELES:

4 Q. Sir, but on occasions, you had Motion In Time go buy you  
5 jewelry instead of watches, right?

6 A. I had them do what?

7 Q. You had them go buy jewelry, so you could exchange your  
8 watches for jewelry that you wanted, right?

9 A. There was an occasion where there was a deal on a Harry  
10 Winston piece of jewelry where we had a trade involved. I  
11 don't remember the specifics.

12 Q. Okay. So I'll direct your attention to 23167. On this  
13 occasion, you traded a Rolex watch for some diamond earrings,  
14 right?

15 A. Again, I don't remember the specific transaction. This is  
16 not the way I remember...

17 Q. Okay. But Motion In Time was not a diamond earring store,  
18 right?

19 A. They were split. They had a diamond earring and jewelry  
20 counter with millions of dollars of goods for sale, as well as  
21 watches.

22 Q. It's your testimony you did not ask him to go out and  
23 purchase this for you, is that what you're saying?

24 A. I'm not saying that.

25 Q. Okay. You might have, right?



IBTKGRA3

Rechnitz - Cross

1 A. Again, as I remember the transaction, they shared a retail  
2 space with a jeweler, Alex B, who had jewelry just like Motion  
3 In Time had watches, and I had traded one of my watches with  
4 them for the jewelry piece, and they worked out the details,  
5 even trade, item for item.

6 Q. So what you're saying is that you had Motion In Time  
7 purchase diamonds from another store that shared the same  
8 space, so that they can exchange if for you for your watch,  
9 right?

10 A. Yes, because the jewelry company didn't want to take my  
11 watch, but Motion In Time was happy to.

12 Q. Right. So instead of selling it to Motion In Time, you had  
13 them -- and taking the cash, and going and purchase the  
14 diamonds, you had them do an exchange, right?

15 A. Again, I didn't have them do anything. They had suggested  
16 to me they would work it out, and I could just trade the watch,  
17 which is what I did.

18 Q. But, in other words, what you understood to be going on is  
19 instead of Motion In Time giving you the cash for the watch,  
20 they would give it to a third party, the jewelry store, and get  
21 from the jewelry store diamonds, and give you the diamonds,  
22 right?

23 MR. BELL: Objection, your Honor.

24 THE COURT: You can answer the question.

25 THE WITNESS: Again, as I understood the transaction,

IBTKGRA3

Rechnitz - Cross

1 is Motion In Time was going to obtain the earrings from their  
2 partner in the store, and I would trade the watch to them, and  
3 they would work out the details.

4 Q. The answer to my question is yes, right?

5 A. Yes, I think we agree.

6 Q. Yes. So they would go buy the watch or earrings instead of  
7 giving you cash for the watch, right?

8 A. Again, I don't know if they bought them or how they worked  
9 it out. They were partners in the space.

10 Q. The reason for that was so that you would not get cash for  
11 the watch, and it was a tax fraud, wasn't it, sir?

12 MR. BELL: Objection, your Honor.

13 THE COURT: Sustained.

14 BY MS. NECHELES:

15 Q. Well, sir, was your intent, not to pay taxes?

16 A. No.

17 Q. Well, you understand that if you sell a watch -- withdrawn.

18 You bought many of these watches for investment  
19 purposes, right?

20 A. I bought for investments, I bought for gifts.

21 Q. And if you sold a watch that you had purchased, if you made  
22 a profit on it, you were required to pay taxes on that, right?

23 MR. BELL: Objection, your Honor.

24 THE COURT: Can you rephrase the question, please,  
25 counsel?

IBTKGRA3

Rechnitz - Cross

1 BY MS. NECHELES:

2 Q. Well, you understood, did you not, that when you sold an  
3 item that you had bought, and you made a profit on the sale,  
4 you were required to pay taxes on that, right?

5 A. Hypothetically, if that would have occurred, which it did  
6 not occur, I would have to pay tax on any income on any gain.  
7 So if I bought a watch for \$25,000, and I sold it later for  
8 23,000 back to Motion In Time, there's no taxable event per my  
9 understanding. In fact, there's a loss I would benefit from.

10 Q. Right. You totally get it, right, you understand if you  
11 make a profit, you have to pay taxes; if it's a loss, you don't  
12 pay taxes, right?

13 MR. BELL: Objection, your Honor.

14 THE COURT: Thank you.

15 You can answer the question.

16 MR. BELL: I don't think there was one.

17 MS. NECHELES: I believe there was.

18 THE COURT: Counsel, you can rephrase it.

19 MS. NECHELES: All right.

20 BY MS. NECHELES:

21 Q. Sir, you know, based on your experience in business, that  
22 if you buy an item, and you sell it -- then sell it, if you  
23 make a profit, you pay taxes, and if you didn't make a profit,  
24 if you make a loss, you take a loss on it, right?

25 MR. BELL: Objection.

IBTKGRA3

Rechnitz - Cross

1 THE COURT: Thank you.

2 You can answer the question.

3 THE WITNESS: Per my understanding, if I would gain  
4 profit on a sale, it would be considered taxable income.

5 BY MS. NECHELES:

6 Q. Okay. That is true whether you get it in bartered items or  
7 whether you get the money in cash from when you sell it, right?

8 MR. BELL: Objection, your Honor.

9 THE COURT: Thank you.

10 Sustained.

11 Q. Well, you understood that, didn't you?

12 MR. BELL: Objection, your Honor.

13 THE COURT: Thank you.

14 Can you rephrase, please, counsel?

15 Q. Okay. Well, sir, you understand that if you make a profit,  
16 you have to pay taxes on that profit, whether your profit comes  
17 to you as cash or whether it comes to you as another item that  
18 you get?

19 MR. BELL: Objection, your Honor.

20 THE COURT: Thank you.

21 You can answer the question.

22 THE WITNESS: Again, I'm going to repeat what I've  
23 said, which is if I sell something or trade something where I'm  
24 gaining more value, I would have to pay tax on that extra  
25 value, but that did not happen in this case.

IBTKGRA3

Rechnitz - Cross

1 BY MS. NECHELES:

2 Q. How do you know?

3 A. Because I remember it differently.

4 Q. Oh, now you remember it?

5 A. I told you that this did not seem accurate to me. I  
6 remember trading here Winston earrings as an even swap for the  
7 watch.

8 Q. And you're saying there was -- it was an even swap for the  
9 watch, but that's not the issue, is it, sir?

10 MR. BELL: Objection, your Honor.

11 THE COURT: Sustained.

12 Q. Well, the question is not whether it was an even swap, the  
13 question is did you make a profit on the sale of the watch,  
14 right?

15 MR. BELL: Objection, your Honor.

16 THE COURT: Sustained.

17 Q. Well, sir, when you say it was an even swap, that means the  
18 two items that you swapped for were of equal value, right?

19 A. That's correct.

20 Q. And that has nothing to do with whether you made a profit,  
21 right?

22 MR. BELL: Objection, your Honor.

23 THE COURT: Thank you.

24 You can answer the question.

25 THE WITNESS: I'm not sure I understand the question.

IBTKGRA3

Rechnitz - Cross

1 I'm getting a bit confused.

2 BY MS. NECHELES:

3 Q. Okay. Let's be a little simpler, and then I want to move  
4 on.

5 Whether you make a profit or a loss depends on the  
6 price that you paid for the item and the price you sell it for,  
7 right?

8 A. That's correct.

9 Q. If the price you sell it for is higher than the price you  
10 bought it for, you made a profit, right?

11 A. That's my understanding.

12 Q. And that is a totally separate question from whether, when  
13 you trade in the watch, you are making an even trade, right?

14 MR. BELL: Objection, your Honor.

15 THE COURT: Thank you.

16 You can answer the question.

17 THE WITNESS: I'm sorry, I'm just getting confused  
18 again. It's not coming out clear.

19 BY MS. NECHELES:

20 Q. Okay. So let me ask you a separate question.

21 You say it's an even trade. What you mean by that, am  
22 I correct, is that the two items that are being traded have  
23 equal value, right?

24 A. Yes.

25 Q. So if you sell -- if you're trading a watch that's worth

IBTKGRA3

Rechnitz - Cross

1 \$100 for a pair of earrings that's worth \$100, that's an even  
2 trade, right?

3 A. That's right. It's between the two parties to determine  
4 the value.

5 Q. But that has nothing to do with whether you bought the  
6 watch for \$50 and made a 50-dollar profit or whether you bought  
7 the watch for \$150 and took a 50-dollar loss, right?

8 A. Right.

9 Q. The even trade has nothing to do with whether you made a  
10 profit, right?

11 A. It does.

12 Q. Well, it has nothing to do with whether you made a profit  
13 on the sale of the watch, right?

14 A. I really don't understand you. I'm sorry.

15 Q. Okay. One more time. If you bought that watch in this  
16 example for \$10,000 and then traded it for an item worth  
17 \$23,000 -- withdrawn.

18 If you bought that watch for \$10,000, and it was now  
19 worth \$23,000 --

20 A. Sorry, can you repeat that?

21 Q. Okay. Sure.

22 Hypothetically, if you bought that Rolex watch for  
23 \$10,000, and it had gone up in value to \$23,000, it would be an  
24 even trade to trade it for diamonds that were worth \$23,000,  
25 correct?

IBTKGRA3

Rechnitz - Cross

1 A. That makes sense, yes.

2 Q. Okay. But you would still, at the same time, have a profit  
3 of \$13,000, right?

4 A. I don't believe so. I think the current value of the watch  
5 is what my watch is worth.

6 Q. It is. It's worth the 23,000, right? It's worth what you  
7 could sell it for, right?

8 A. In your hypothetical scenario, if it's worth 23, and it's  
9 traded for something that's 23, it's an even trade.

10 Q. It is, correct? Right, sir?

11 A. I don't understand any taxable event there.

12 Q. Okay. I'm not asking you whether it's a taxable event.  
13 I'm not asking that. I'm saying you still made a profit,  
14 right?

15 MR. BELL: Objection, your Honor.

16 THE COURT: Thank you.

17 I'm going to let the witness answer the question to  
18 the extent that he can, and then I'd like to see if we can move  
19 along.

20 THE WITNESS: I don't think so. The earrings could  
21 have also been worth 10,000 a few years earlier. Again, I  
22 don't follow that.

23 Q. Okay, sir. But just -- by the way, you went to graduate  
24 school for a Master's degree; is that right?

25 A. Yes.



IBTKGRA3

Rechnitz - Cross

1 MR. BELL: Objection, your Honor.

2 THE COURT: Thank you.

3 You can answer the question.

4 Q. Yes?

5 And you studied finance; am I correct?

6 A. I took basic courses in finance.

7 Q. And basic courses which taught you the meaning of profit  
8 and loss, correct?

9 A. Those are my accounting courses, yes.

10 Q. And profit and loss are realized when you make a sale; is  
11 that correct?

12 MR. BELL: Objection, your Honor.

13 Q. When there's a transaction?

14 THE COURT: You can answer the question.

15 A. Again, the present value of money --

16 Q. The present value of money has nothing to do with whether  
17 profit and loss is realized, correct?

18 MR. BELL: Objection, your Honor.

19 THE COURT: Sustained.

20 BY MS. NECHELES:

21 Q. Well, sir, I'm not talking about present value of money.

22 I'm asking whether profit and loss are realized at a sale. Did  
23 you learn that in accounting or in graduate school?

24 A. I don't remember learning that.

25 Q. So you don't know whether, if you bought a watch for 10,000

IBTKGRA3

Rechnitz - Cross

1 and sold it or traded it in for 23, whether you had a profit,  
2 that's your testimony?

3 A. That's not my testimony. My testimony is that if I bought  
4 a watch for 10,000 several years ago -- hypothetically, of  
5 course -- and it's worth 23,000 today, and I trade it for  
6 something of the same like value, there's no profit event that  
7 has occurred. For all I know, those earrings could have been  
8 worth \$8,000 five years ago. It's what it's worth presently at  
9 the present value of money.

10 Q. I want to move on. But am I correct, sir, you were  
11 involved in a lot of tax fraud schemes for a long time?

12 MR. BELL: Objection.

13 THE COURT: Sustained.

14 BY MS. NECHELES:

15 Q. Well, you were involved in -- am I correct that when you  
16 were trading items and bartering, you did that with the  
17 specific purpose of not paying taxes?

18 A. You are not correct. That is false.

19 Q. And, sir, another crime that you committed during this time  
20 period was that you had someone else take the test for a real  
21 estate salesman license, correct?

22 MR. BELL: Objection.

23 THE COURT: Thank you.

24 Sustained.

IBTKGRA3

Rechnitz - Cross

1 BY MS. NECHELES:

2 Q. Well, did you do that?

3 A. Yes, I sent my assistant to take my salesperson license  
4 exam.

5 Q. You sent your assistant, Ari Schwebel?

6 A. He was not my assistant.

7 Q. Who did you send?

8 A. Shahar Ious.

9 Q. When did you do that?

10 A. My early year at Africa Israel.

11 Q. When did you first admit this to the government?

12 A. Again, like everything else, this has been a long process.  
13 As things come to my mind or I'm asked about certain events is  
14 when they come up. I can't point to a particular date.

15 Q. All right. Well, you've testified in prior proceedings  
16 about that you obtained a salesman's license, right?

17 A. A salesperson license.

18 Q. Yes. You've testified about that, right?

19 A. I believe so.

20 Q. When you testified about that, you did not disclose that  
21 you obtained that by having someone else take the test for you,  
22 right?

23 MR. BELL: Objection, your Honor.

24 THE COURT: Sustained.

IBTKGRA3

Rechnitz - Cross

1 BY MS. NECHELES:

2 Q. Well, you did not testify about that before, right?

3 MR. BELL: Objection, your Honor.

4 THE COURT: Sustained.

5 Q. And, sir, why did you do that? Why did you have someone  
6 else take your license?

7 A. Just to correct an earlier answer, I think it's something I  
8 told the government about from the beginning. That may have  
9 been one of my list of exclusions in my cooperation agreement.  
10 I may be mistaken.

11 Number two, I did it because it's kind of like a  
12 driving test, I thought it's not such a big deal, and it was  
13 not a test I had to study that would actually have an effect on  
14 actual business practicality, and I was lazy, so I sent him in.

15 Q. I'm sorry. Can you say that last part again? You thought  
16 it was like a driver's license, and what was the second part of  
17 your answer?

18 A. Where there wouldn't be a particular business practice,  
19 that came more of a standardized test, just a boring type of  
20 test you had to pass, and I was lazy, so I sent in my  
21 assistant.

22 Q. So it was below you to do it?

23 A. It wasn't below me. I was lazy.

24 Q. It was --

25 A. I didn't want to be bothered with it.

IBTKGRA3

Rechnitz - Cross

1 Q. You didn't want to be bothered to follow the requirements  
2 that everybody else has to follow, right?

3 A. Again, that's a generality. You're generalizing in this  
4 specific example. I was lazy and didn't want to do it.

5 Q. So you had your assistant go and do something fraudulent on  
6 your behalf, right?

7 A. That's right.

8 Q. He was a young guy?

9 A. Yes.

10 Q. You put him at that kind of risk, right?

11 MR. BELL: Objection, your Honor.

12 THE COURT: Sustained.

13 Q. When you said a minute ago that you think this is one of  
14 the exclusions in your cooperation agreement, what you were  
15 saying is that -- am I correct, that the things that you told  
16 the government about in the beginning which were wrongdoing or  
17 criminal acts got included in your cooperation, and you got  
18 immunity for them, right?

19 A. Yes, for certain conduct.

20 Q. And that's for certain things -- things that were criminal,  
21 right?

22 MR. BELL: Objection, your Honor.

23 Q. Things that you understood --

24 THE COURT: Thank you. I'm sorry.

25 Q. -- to be putting you at the risk of a crime?

IBTKGRA3

Rechnitz - Cross

1 THE COURT: Can I just ask you to reframe the  
2 question, counsel?

3 MS. NECHELES: All right. Sure.

4 BY MS. NECHELES:

5 Q. The things that got included in there were things that you  
6 understood were things that would put you at the risk of  
7 prosecution for criminal behavior?

8 MR. BELL: Objection, your Honor.

9 THE COURT: You can answer that question.

10 THE WITNESS: My understanding was that it was for  
11 wrongdoing. I don't know why certain things were included and  
12 certain things weren't included. I just know that I came clean  
13 on everything, and there were certain things that ended up  
14 being included in the agreement.

15 Q. You also understood, when you would be meeting with people  
16 or with the government and telling them things in proffer  
17 sessions, somebody would be taking notes, right?

18 A. I saw notes being taken.

19 Q. And, sir, in addition to the other crimes that we've talked  
20 about already, prior to the time that you decided to go in and  
21 cooperate with the government, you had also been involved in  
22 bribing Norman Seabrook, right?

23 A. That's right.

24 Q. And you --

25 THE COURT: Ms. Necheles, can I pause you briefly.

IBTKGRA3

Rechnitz - Cross

1 Ladies and gentlemen of the jury, are you doing okay?  
2 Would you like to have a break? If you're doing fine, let's  
3 keep on going.

4 Please go on, Ms. Necheles.

5 BY MS. NECHELES:

6 Q. And you have said here, Mr. Reichberg was involved in that  
7 as well, right?

8 THE WITNESS: Judge, if your Honor doesn't mind, I'd  
9 like to use the restroom.

10 THE COURT: That's fine.

11 Let's take a short break. Don't discuss the case  
12 amongst yourselves, please don't communicate about it with  
13 anyone, and do no research about the case. I'll see you  
14 shortly.

15 (Continued on next page)

16  
17  
18  
19  
20  
21  
22  
23  
24  
25

IBTKGRA3

Rechnitz - Cross

1 (Jury not present)

2 THE COURT: Thank you. You can be seated.

3 Let's take about a five-minute break. Be prepared to  
4 start again in five minutes.

5 Yes, Mr. Rechnitz, you can step down.

6 Mr. Bell, feel free to raise whatever issues you'd  
7 like to raise.

8 MR. BELL: We have nothing, your Honor.

9 THE COURT: Thank you very much.

10 (Recess)

11 THE COURT: Can we bring in the witness, please.

12 Counsel for Mr. Reichberg, one brief comment --

13 I'm sorry, can you give us one more moment, please,  
14 before Mr. Rechnitz comes back in.

15 Anything else that any party would like to raise  
16 before we begin again?

17 MR. BELL: We're doing great, your Honor. No, thanks.

18 THE COURT: Good. Thank you.

19 Just one brief comment, and I express at this point no  
20 expertise on the issue: I think that the real estate treatment  
21 of like kind exchanges may be consistent with what Mr. Rechnitz  
22 is testifying to here. I don't know what the rule is for  
23 personalty, but I just wanted to comment on that briefly.

24 MS. NECHELES: I think it's only true, your Honor, if  
25 you fall within that specific rule and regulations, and I think



IBTKGRA3

Rechnitz - Cross

1 someone like him knows it.

2 THE COURT: Thank you. Fine. Good. So let's begin.

3 MS. NECHELES: But I'm not going back there. I'm  
4 done.

5 THE COURT: Thank you.

6 Mr. Daniels, can you please bring in the jury.

7 And, United States, can you please bring in the  
8 witness.

9 MS. NECHELES: Your Honor, what time would you like to  
10 break today?

11 THE COURT: My hope is to stop shortly after 3:00,  
12 call it 3:15, if you'd like to aim for around then.

13 MS. NECHELES: Okay. That's fine.

14 (Continued on next page)

IBTKGRA3

Rechnitz - Cross

1 (Jury present)

2 THE COURT: Thank you, ladies and gentlemen. You can  
3 be seated.

4 Counsel for Mr. Reichberg, you can proceed.

5 MS. NECHELES: Thank you, your Honor.

6 BY MS. NECHELES:

7 Q. Sir, before I move off the taxes, to be clear, you had --  
8 before we move off the taxes, let me be clear, you have not  
9 paid or filed any tax returns for a number of years, right?

10 A. That's right.

11 Q. And since, am I correct, 2014, correct?

12 A. No. 2015.

13 Q. What year?

14 A. 2015 for 2016.

15 Q. So you did not file your 2015 tax returns?

16 A. 2015 and '16.

17 Q. And 2017, did you file those?

18 A. Right.

19 Q. Beg your pardon?

20 A. No, I have not filed since 2015.

21 Q. Okay. So there are three years of tax returns you have not  
22 filed, right?

23 A. That's right.

24 Q. And you have not paid any estimated taxes on any of that  
25 time, right?

IBTKGRA3

Rechnitz - Cross

1 A. That's right.

2 Q. With respect to any of the people to the Nissen bankruptcy  
3 or the Peralta bankruptcy, you have not paid any money there,  
4 right?

5 A. That's false.

6 Q. What money did you pay to those?

7 A. I can't discuss certain legal proceedings, but I paid  
8 Peralta, I made a settlement, and I cannot discuss the Nissen  
9 one. I don't want to breach privilege.

10 Q. Well, let's talk about the Peralta one. What did you pay?

11 A. I made a confidential settlement.

12 THE WITNESS: If your Honor would allow me to breach  
13 confidentiality, I'll be happy to share it.

14 THE COURT: Thank you.

15 MR. BELL: I am going to object.

16 THE COURT: Please proceed. Take up another line of  
17 questioning for now, and we can take this up later.

18 MS. NECHELES: Okay.

19 BY MS. NECHELES:

20 Q. We'll get back to that. Let's just talk about Mr. Seabrook  
21 for now.

22 In addition to those other crimes, you said you were  
23 involved in bribing Norman Seabrook, and that Mr. Reichberg did  
24 it with you, right?

25 A. That's correct.

IBTKGRA3

Rechnitz - Cross

1 Q. And what you said before, Mr. Seabrook was the head of the  
2 correction officers union, right?

3 A. Yes, ma'am.

4 Q. It's also known as COBA, right?

5 A. Yes.

6 Q. And you paid a bribe to Mr. Seabrook to get him to invest  
7 COBA money in a hedge fund called Platinum Partners, right?

8 A. I helped facilitate a bribe payment.

9 Q. Okay. You gave him the cash, right?

10 A. Yes, on behalf of the hedge fund manager.

11 Q. Sir, I'm just asking you: Did you give him the cash?

12 MR. BELL: Objection, your Honor.

13 THE COURT: Thank you.

14 You can answer the question.

15 THE WITNESS: Yes, I physically handed him the cash on  
16 behalf of Murray Huberfeld.

17 BY MS. NECHELES:

18 Q. Okay. I'm talking about you right now. So you paid a  
19 bribe, right?

20 A. No. I helped facilitate the bribe on behalf of him. I'm  
21 just trying to be precise. I'm not trying to be argumentative.

22 Q. You're trying to be precise when you won't say, yes, you  
23 paid a bribe?

24 MR. BELL: Objection, your Honor.

25 THE COURT: Sustained.

IBTKGRA3

Rechnitz - Cross

1 Q. Did you plead guilty to paying a bribe to Murray  
2 Huberfeld -- I mean to Norman Seabrook?

3 A. I pled guilty to honest services fraud conspiracy, and part  
4 of that conduct was helping to facilitate a bribe between  
5 Murray Huberfeld and Norman Seabrook.

6 Q. So let's go and discuss what exactly happened. Platinum  
7 Partners was a hedge fund owned, in part, by Murray Huberfeld,  
8 right?

9 A. That's my understanding, yes.

10 Q. And Mr. Huberfeld was a prominent member of your community,  
11 right?

12 A. Yes.

13 Q. When I say "your community," you understand that I mean the  
14 Modern Orthodox community, right?

15 MR. BELL: Objection, your Honor.

16 THE COURT: Thank you.

17 You can answer the question.

18 THE WITNESS: No. I understood it to be the entire  
19 Jewish community.

20 BY MS. NECHELES:

21 Q. All right. There are different parts of the Jewish  
22 community, right?

23 A. Yes.

24 MR. BELL: Objection, your Honor.

25 THE COURT: I accept the answer.

IBTKGRA3

Rechnitz - Cross

1 Q. And there are many different parts, right?

2 A. Yes, there are different sects to the religion.

3 Q. And one sect is Modern Orthodox, right?

4 A. Yes.

5 Q. And a different sect is Hasidic, right?

6 A. Yes.

7 Q. All Jewish, but different practices sometimes, right?

8 A. I think so, yes.

9 Q. And your community, within the Jewish community, was the  
10 Modern Orthodox community, correct?

11 A. No, that's false.

12 Q. Okay. What was it?

13 A. First of all, I'm not labeling people by how they look  
14 outside; I believe it's what's on the inside. I have a lot of  
15 Hasidic rabbis, and I belong to the Hasidic community to a  
16 rabbi known as Bubba, where he cut my son's hair, his father  
17 cut my hair. He used to stay at my parents' house in Palm  
18 Springs.

19 I also belong to the Chabad community, as we discussed  
20 Rabbi Metzger. I also belong to the Yeshiva University  
21 community, which is more Modern Orthodox, and I'd say we're  
22 more right than modern.

23 Q. I really am not trying to get into your religious  
24 practices. I just want to be -- the Hasidic community is a  
25 somewhat more insular community, right?

IBTKGRA3

Rechnitz - Cross

1 A. Yes.

2 Q. And you lived on the Upper West Side; am I correct?

3 A. Yes. And I prayed in a Hasidic synagogue.

4 Q. And Murray Huberfeld lived on the Upper West Side as well,  
5 correct?

6 A. Yes.

7 Q. And Mr. Reichberg lived in Borough Park, correct?

8 A. Yes.

9 Q. And he lived, and many Hasidic people live, in Borough Park  
10 in Brooklyn, right?

11 A. Yes.

12 Q. The Hasidic community tends to have a dress style that  
13 reflects certain beliefs that the Hasidic community has,  
14 correct?

15 A. Yes.

16 MR. BELL: Objection, your Honor.

17 THE COURT: Thank you.

18 I accept the answer. You can proceed.

19 BY MS. NECHELES:

20 Q. Returning to Murray Huberfeld, you wanted to get close to  
21 Mr. Huberfeld because you thought it would be good for you,  
22 right?

23 A. Yes.

24 Q. And you had known Mr. Huberfeld, am I correct, for almost  
25 your whole life?

IBTKGRA3

Rechnitz - Cross

1 A. I knew of him. I only knew him for a few years prior to  
2 that.

3 Q. Okay. Your families knew each other; am I correct?

4 A. Yes.

5 Q. And when you had come -- you had grown up in California,  
6 right?

7 A. Yes. In Los Angeles.

8 Q. And when you came to New York, you came to get to know  
9 Mr. Huberfeld? That's not why you came here, but it happened  
10 that you got to know Mr. Huberfeld, correct?

11 A. As I was living in New York is when I got to know him.

12 Q. Okay. Am I correct that Mr. Huberfeld was an extremely  
13 wealthy person? Correct?

14 A. That was the perception I had.

15 Q. He owned a hedge fund that had billions of dollars invested  
16 in it; am I correct?

17 A. I think a billion dollars, yes.

18 Q. And he was on the board of the Simon Wiesenthal Center,  
19 correct?

20 A. Yes, he was on the board of trustees.

21 Q. And you wanted to be on the board of trustees, also, right?

22 A. Yes.

23 Q. And the reason you wanted to be on the board was you  
24 thought it was a who's who of who's important, right?

25 A. As I answered earlier to your question, that was one of the



IBTKGRA3

Rechnitz - Cross

1 reasons I wanted to be on, not the reason.

2 Q. Okay. And you thought that there was a status of being on  
3 the board, you would be a big player, and it would lead to more  
4 connections, and increase your reputation, right?

5 A. That's right.

6 Q. You thought that if you were seen to be friends with Murray  
7 Huberfeld, that other rich people who were friends or did  
8 business with Mr. Huberfeld would treat you as a higher caliber  
9 person and want to do business with you, correct?

10 A. That's correct.

11 Q. So you started associating with Mr. Huberfeld, right?

12 A. Yes.

13 Q. You had some financial transactions with him, correct?

14 A. Correct.

15 Q. You helped him purchase some apartments, correct?

16 A. Yes.

17 Q. In Manhattan, correct?

18 A. Yes.

19 Q. And those were in the Apthorp building, right?

20 A. Yes.

21 Q. And they were apartments that you were involved in selling  
22 and making a commission off of?

23 A. Yes.

24 Q. And that was your real estate business, not Mr. Jeremy  
25 Reichberg's, correct?

IBTKGRA3

Rechnitz - Cross

1 A. What was?

2 Q. Being involved in selling at the Apthorp, right?

3 A. Right.

4 Q. And over time, you and Mr. Huberfeld became pretty  
5 friendly, right?

6 A. Right.

7 Q. There came a point where Mr. Huberfeld discussed with you  
8 whether you could help him find institutional investors for  
9 Platinum Partners, correct?

10 A. Right.

11 Q. And that was a discussion he had with you, right?

12 A. Yes.

13 Q. And by "institutional investors," you mean like pension  
14 funds or other hedge funds that had lots of money to be  
15 investing long term, right?

16 A. He specifically mentioned pension funds or police funds  
17 when he discussed it with Jeremy and I, yes.

18 Q. Well, sir, that discussion was with you, right?

19 A. One of them.

20 Q. And the discussion -- you had a discussion with  
21 Mr. Huberfeld where you discussed, and you sat with him, and  
22 tried to come up with a list of people that you could approach  
23 who might have access to institutional investors, and you could  
24 help try to convince them to invest in Platinum Partners,  
25 right?

IBTKGRA3

Rechnitz - Cross

1 A. I remember making a list of private investors for him. He  
2 asked me to come up with a list, and I remember coming up with  
3 a couple of names of more institutional-like investors.

4 Q. The reason that you would be doing that would be to make a  
5 commission on this, right?

6 A. I was doing it to help him, so that he would be happy with  
7 me, as he was contemplating doing more business with me and  
8 potentially doing a loan with me on some apartments at the  
9 Apthorp.

10 Q. Okay. But it's also true, am I correct, that when people  
11 bring money or investors to a large hedge fund like that, hedge  
12 funds will pay a commission if the person is a registered  
13 salesperson? Correct?

14 A. That's my understanding.

15 Q. And you were hoping to be able to make that commission, at  
16 least in some of the times, right?

17 A. That's right.

18 Q. I mean, that's why you sat, and you came up with a list  
19 with him, right?

20 A. That's right.

21 Q. And you discussed with Murray Huberfeld how you would go  
22 around trying to convince people the kinds of things that you  
23 could talk about about Platinum, right?

24 A. That's right.

25 Q. And that was money you were hoping to make for yourself,

IBTKGRA3

Rechnitz - Cross

1 right?

2 A. That's right.

3 Q. One of the things that Mr. Huberfeld talked to you about  
4 was your contacts with people in city government and in the  
5 police world, right?

6 A. Right.

7 Q. Those were the kind of institutional investors he thought  
8 you might be able to convince to invest, right?

9 A. Right.

10 Q. And you told Mr. Huberfeld that you were friends with the  
11 head of the corrections officers union, Norman Seabrook, right?

12 A. Yes.

13 Q. And you had met Mr. Seabrook in 2013, through Phil Banks,  
14 right?

15 A. Yes.

16 Q. And at the time that you met Mr. Seabrook, you were  
17 excited, right?

18 A. Yes.

19 Q. Now, you testified previously you thought it would be -- am  
20 I correct, that you thought would be something that if you knew  
21 Mr. Seabrook, you would have something that no one else had  
22 access to because no one else you knew was close to the head of  
23 the union for prison guards, right?

24 A. That's right.

25 Q. But you didn't know anybody in prison at that point, did

IBTKGRA3

Rechnitz - Cross

1 you?

2 A. I did.

3 Q. You did? Who was that?

4 A. I knew a few people in prison.

5 Q. In New York City?

6 A. Yes.

7 Q. Okay. Oh, you're talking about Mr. Peralta at a later  
8 time, right?

9 A. Besides that, I knew other people.

10 Q. Did you think Mr. Seabrook would help you with that?

11 A. Yes.

12 Q. That's why you became friends with him?

13 A. No.

14 Q. Who were those people?

15 A. Stewart Walmar is someone I knew in Otisville.

16 Q. Where was Stewart Walmar in jail?

17 A. Otisville.

18 I actually asked Norman if he can help get him better  
19 accommodations. He said that he had no jurisdiction over that  
20 prison.

21 I can't think of anyone else come to mind right now.

22 Q. So you knew someone who was in prison, a federal prison, in  
23 Otisville?

24 A. Yes.

25 Q. But Mr. Seabrook was not the head of the corrections union

IBTKGRA3

Rechnitz - Cross

1 for federal prison anywhere, right?

2 A. That's right.

3 Q. You knew he was the head of the corrections union for the  
4 city jails, right?

5 A. I didn't really understand what his union covered. I  
6 thought it was all the jails in New York.

7 Q. Well, you knew that Mr. de Blasio was his boss, right?

8 A. Yes.

9 Q. So you knew Mr. de Blasio was only the boss of New York  
10 City, right?

11 A. That's something I'm aware of, yes.

12 Q. You knew it at the time, right?

13 A. Yes.

14 Q. He was the mayor of New York City, right?

15 A. That's right.

16 Q. So you're testifying that you thought Mr. de Blasio was the  
17 boss of somebody who was the head of corrections for all of New  
18 York State?

19 A. Well, I didn't know if he's his direct boss. I knew that  
20 they had a lot of interaction. I didn't get into that type of  
21 thought.

22 Q. But you told the government that when you met him, there  
23 was little advantage to knowing Mr. Seabrook, right?

24 A. That there was what?

25 Q. Little advantage to knowing Mr. Seabrook?

IBTKGRA3

Rechnitz - Cross

1 A. Right.

2 Q. It wasn't like you thought you could get anything from him,  
3 right?

4 A. When I initially met him, that's correct.

5 Q. And it was just you wanted to know him because you thought  
6 that by getting to know him and becoming close with him, people  
7 would think of you as an important person, right?

8 A. That's one of the reasons I said, yes.

9 Q. And the other reason was he was close to Mr. Banks, right?

10 A. That's a reason as well, yes.

11 Q. Am I correct that you had gotten to know Jeremy because you  
12 wanted to use his connections to cops, so you would look like  
13 an important person?

14 A. The reason I wanted to meet Jeremy was so I could get a  
15 parking placard initially, just like my friend had, and I was  
16 told he is the guy who can get it done.

17 Q. And you said you gave \$5,000 to an event -- a football  
18 event because you hoped to get a parking placard, right?

19 A. That's right.

20 Q. Instead, you got a little statue or something; is that  
21 right?

22 A. At that event, I got a plaque with my name with the NYPD  
23 logo and a football.

24 Q. For \$5,000, right?

25 A. That's one physical item that I got out of that.

IBTKGRA3

Rechnitz - Cross

1 Q. Okay. That was the big surprise that you got that day,  
2 wow, right?

3 A. Besides connections and business cards --

4 Q. That night. Did you get --

5 A. Yes.

6 Q. -- connections and business cards that night?

7 A. Yes.

8 Q. You had met some people, right?

9 A. Yes.

10 Q. And then you decided to become closer to Mr. Reichberg  
11 because you wanted to become closer to the cops, that's what  
12 you testified, right?

13 A. I became closer to him after I saw what he was able to do  
14 with the Lincoln Tunnel. That's when he really -- our  
15 relationship started.

16 Q. Okay. So you were impressed with what he was able to do,  
17 and you decided, wow, I want to become closer to him because  
18 he's close to cops, right?

19 A. I didn't make a conscious decision, just I'm going to get  
20 closer to him. We kind of became closer to one another.

21 Q. Okay. But you were using him, right? You've said you  
22 wanted to become close to him, so you could have a -- look like  
23 an important person because of the connections to cops, right?

24 A. I feel quite the opposite. I feel I was used.

25 Q. Well, sir, am I correct that you have said that before,



IBTKGRA3

Rechnitz - Cross

1 that you were --

2 A. I'm sorry, I can't hear you.

3 Q. All right. One minute.

4 Am I correct that you testified in a prior proceeding  
5 that the reason -- the appeal of getting to know Mr. Reichberg  
6 better was that he had all these connections to police, and, at  
7 that point, this was something that was very important to you?

8 A. Yes, ma'am.

9 MR. BELL: Objection.

10 THE COURT: Thank you.

11 I accept the answer. You can proceed.

12 BY MS. NECHELES:

13 Q. And, sir, am I correct that it was also part of your belief  
14 and your thought process that you didn't know many people who  
15 had connections to police, and you thought that this would be  
16 an awesome tool for you personally and for your business? Is  
17 that correct?

18 A. Yes, ma'am.

19 Q. So that was the reason you decided to become friendly with  
20 Jeremy Reichberg, right?

21 A. It was a reason, a benefit. It was actually a benefit of  
22 the friendship.

23 Q. Am I correct you have testified that you wanted to get  
24 close to Murray Huberfeld because he was rich and important,  
25 and you thought it would make you look important, too, right?

IBTKGRA3

Rechnitz - Cross

1 A. That was one of the appeals of having a relationship with  
2 him, is what I believe I said.

3 Q. And the same with Mr. Seabrook, right? That's why you  
4 wanted to become close to him, because it would make you look  
5 important and cool, right?

6 A. And he was very close to Philip Banks, who we were very  
7 focused on getting close to.

8 Q. And this was a pattern in your life, was it not? You were  
9 a social climber, right?

10 A. I don't know if I would label it, but these three examples  
11 are what I'm saying they are.

12 Q. Well, it was a pattern that you would befriend people who  
13 you thought would make you look important, right?

14 A. In these scenarios, I had different objectives with each  
15 relationship.

16 Q. Well, my question is: Did you befriend people who would  
17 make you look important?

18 A. Yes.

19 Q. And then did you later dump them when they no longer were  
20 prestigious and important?

21 A. I wouldn't generalize that, no.

22 Q. You did that with Phil Banks, didn't you?

23 A. No. If somebody did something wrong to me, we reacted. A  
24 lot of things were done wrong to me without my knowledge that I  
25 later learned.

IBTKGRA3

Rechnitz - Cross

1 Q. All right. We'll get back to that, sir.

2 Now, with respect to Mr. Seabrook, in order to get  
3 close to him, you invited him to a police appreciation day you  
4 were hosting with Jeremy Reichberg, right?

5 A. Yes.

6 Q. And it was something you had sent out invitations to,  
7 right?

8 A. Yes, by email.

9 Q. And the invitations were to other police officers, right?

10 A. Yes.

11 Q. And you had said that -- the invitation says this was for a  
12 police appreciation day, right?

13 A. Yes.

14 Q. You were paying for this, correct?

15 A. Yes.

16 Q. And you had rented out a suite at a football game, right?

17 A. That's right.

18 Q. When you were asked questions on direct about this football  
19 game, that was what this was about, it was about an event that  
20 you had hosted, right?

21 A. It was about the football game that we hosted, yes.

22 Q. Well, a football game for appreciation -- you didn't host  
23 the football game, right? The football game was going on?

24 A. We hosted the suite to have all the cops.

25 Q. And you had plaques made up for the police officers, right?

IBTKGRA3

Rechnitz - Cross

1 A. Yes.

2 Q. You served food, right?

3 A. Yes.

4 Q. And there was no attempt to hide this or keep it secret,  
5 was there?

6 A. From the attendants? No. We had to invite them.

7 Q. Or from anybody else, right?

8 A. I don't think so.

9 Q. Well, you saw all these pictures, you took pictures of  
10 this, right?

11 A. Yes.

12 Q. And if we could look at some of those pictures.

13 MS. NECHELES: Your Honor, if we could show Government  
14 Exhibit 619-A, which is in evidence, your Honor.

15 THE COURT: Thank you.

16 You can proceed.

17 MR. BELL: One moment, please, your Honor.

18 MS. NECHELES: Is that not in evidence? Sorry.

19 Your Honor, I believe these are in evidence, but they  
20 have been marked as defense exhibits, so perhaps I can just go  
21 forward and put them in evidence as defense exhibits.

22 THE COURT: Thank you.

23 619-B through E are in.

24 MS. NECHELES: B through E?

25 THE COURT: Yes.

IBTKGRA3

Rechnitz - Cross

1 MS. NECHELES: So 619-B.

2 BY MS. NECHELES:

3 Q. That is a picture of you and Mr. Reichberg, and who is the  
4 third person?

5 A. Chief David Colon from the NYPD.

6 Q. And he's posing with the little trophy that you caused to  
7 be made up, right?

8 A. That's right.

9 Q. Having a picture taken, right?

10 A. Yes.

11 Q. He's not hiding from the camera, right?

12 A. Right.

13 Q. And is that inside the suite?

14 A. Yes, that's in the private suite.

15 Q. The next one is Government Exhibit 619-B -- or C. Sorry.

16 MS. NECHELES: If we can put that up, your Honor?

17 THE COURT: You may.

18 Q. And that is you, and Jeremy Reichberg, and Jimmy Grant,  
19 right?

20 A. That's right.

21 Q. And he also is posing, right?

22 A. Yes.

23 Q. With a little trophy, right?

24 A. That's right.

25 Q. And you're taking -- someone's taking pictures, right?

IBTKGRA3

Rechnitz - Cross

1 A. Yes.

2 Q. Was there a professional photographer there?

3 A. Yes.

4 Q. So you hired a professional photographer to come and take  
5 pictures of this event, right?

6 A. Right.

7 Q. You didn't think you were doing anything wrong, did you?

8 A. That's not correct.

9 Q. Well, you think this was a bribe, is that what you're  
10 saying?

11 A. It was a very important game. It was the Jets-Patriots.  
12 If you're a football fan, you know that's a very sought after  
13 game and something we wanted to hook everyone up with and be,  
14 as you said, macher.

15 Q. My question was a different one. My question is: Did you  
16 think you were doing something wrong by taking the police to  
17 this game?

18 A. Yes.

19 Q. And that's why you hired a professional photographer to  
20 document it, right, because you wanted to make sure there was  
21 evidence of your wrongdoing, right?

22 A. No. I knew it was wrong because Chief Secreto and Chief  
23 Banks didn't want to come, or told me that they thought it  
24 would be inappropriate. I hired the photographer so we just  
25 had photos of all of this.

IBTTGRA4

Rechnitz - Cross

1 Q. And sir, is it your custom to photograph your criminal  
2 activity?

3 MR. BELL: Objection, your Honor.

4 THE COURT: Sustained.

5 Q. Well, here it's your testimony you knew you were doing  
6 something wrong but you hired a photographer to photograph it,  
7 right?

8 A. Yes. Again this was part of the whole relationship, me  
9 giving gifts getting things in return. I photographed a lot of  
10 other types of police escorts and things that were wrong just  
11 for the hell of it.

12 Q. And all of these police officers, high-ranking people, are  
13 posing for the professional photographer, right?

14 A. Yes, we gave a speech about them and then gave them his  
15 plaque and took a photo.

16 Q. Did anybody say: Oh, no, don't take a picture of me, this  
17 is wrongdoing. Did anybody say that?

18 A. I don't remember if everybody took a photo.

19 Q. But all of these people had no problem with having their  
20 picture taken there, right?

21 A. The ones that were photographed were willing to do so.  
22 Nobody forced them.

23 Q. Right. And you were willing to be in that picture with  
24 them, right?

25 A. That's right.

IBTTGRA4

Rechnitz - Cross

1 Q. And if you look at the next picture, 619D, that's Michael  
2 Harrington, right?

3 A. That's right.

4 Q. And he was the person who was in with Chief Banks, he was  
5 the right-hand man, a wingman, right?

6 A. Right.

7 Q. And that's essentially what Mr. Harrington's job was,  
8 correct, to be Mr. Banks' wingman, right?

9 A. Yes.

10 Q. And he had come to -- he didn't have a problem coming to  
11 this, right?

12 A. He came. I don't know what he was thinking.

13 Q. Smiling, right?

14 A. In this photo he's smiling.

15 Q. And he was very close to Mr. Reichberg, right?

16 A. Yes.

17 Q. And he had been close to Mr. Reichberg from long before he  
18 went to the chief of police office or division, right?

19 A. Yes.

20 Q. And he remained close after, correct?

21 A. I'm not sure.

22 Q. And just focusing here for minute on Mr. Banks, Mr. Banks  
23 did not like to socialize with anyone from outside his inner  
24 circle, correct?

25 A. That is my understanding.



IBTTGRA4

Rechnitz - Cross

1 Q. You testified to that before, correct?

2 A. I believe so.

3 Q. And so he didn't like to go to events where there were  
4 other police officers if those people were not in his inner  
5 circle, right?

6 A. That was my understanding.

7 Q. And it was your -- you were a very close to Mr. Banks for a  
8 while, right?

9 A. Yes.

10 Q. And you knew from him that he thought it was inappropriate  
11 in his role to socialize with police officers who work for him,  
12 right?

13 A. Yes.

14 Q. And it would look bad and make it more difficult for him to  
15 do his job, correct?

16 A. I don't know what was behind his rationale, I could only  
17 tell you what he told me, that he didn't feel comfortable going  
18 that day.

19 Q. Well, he told you in general he didn't like to socialize  
20 with police officers who were lower ranks, correct?

21 A. He didn't say those words to me.

22 Q. He didn't like to socialize with police officers who worked  
23 for him, right?

24 A. There are many officers I saw him socialize with, my guess  
25 is that it was more than just the inner circle.

IBTTGRA4

Rechnitz - Cross

1 Q. What's who he liked to be with, right?

2 A. Yes.

3 Q. The inner circle.

4 That's why he didn't come to this event, right?

5 A. I don't know why he didn't come, all I know is that he told  
6 me he wasn't comfortable with coming.

7 Q. He never told you there was something wrong with this  
8 event, right?

9 A. He told me he wasn't comfortable to come.

10 Q. He was never comfortable to go, in general, with other  
11 people outside of his inner circle, right?

12 A. No, we went to dinner, like you showed me earlier, the  
13 Chabad dinner and other events.

14 Q. Let's talk about the Chabad dinner. What other police  
15 officers were there?

16 A. Norman Seabrook was there.

17 Q. That's part of his inner circle, right?

18 A. I'm sorry, are you talking about police officers or in  
19 general?

20 Q. I'm talking police officers, sir. You understood that  
21 before, right?

22 A. I didn't, that's why I'm asking.

23 Q. I'm talking about police officers. He did not like to  
24 socialize with other police officers outside his inner circle,  
25 right?

IBTTGRA4

Rechnitz - Cross

1 A. No, he was very close to David Colon. I think there's a  
2 video of us smoking a cigar in his office with Dave there as  
3 well. He was very particular with who he would hang out, but I  
4 don't think it had to do with other police officers.

5 Q. Sir, if you look at the next picture, which is 619E, am I  
6 correct that Mr. -- one minute.

7 Am I correct that Mr. Banks' father and his kids were  
8 present?

9 A. His father and his siblings I believe are present, I don't  
10 know about his kids.

11 Q. So he sent family members to this game, right?

12 A. That's right.

13 Q. So it is not your testimony that he thought there was  
14 something wrong with people coming to this, correct?

15 MR. BELL: Objection.

16 THE COURT: Thank you. Sustained.

17 Q. Well, sir, I'll move on.

18 And am I correct that you brought your son to this  
19 game?

20 A. That's right.

21 Q. And are you testifying that you brought your son to some  
22 event that you knew was criminal in nature?

23 A. I am testifying that I brought my son to an event knowing  
24 it was wrong.

25 Q. At the time you brought your son you knew it was wrong,

IBTTGRA4

Rechnitz - Cross

1 right?

2 A. Yes.

3 Q. So you're sitting there smiling with him on your lap, is  
4 that your testimony?

5 A. Yes.

6 Q. And in this picture you are all the outside of the suite or  
7 still inside the suite?

8 A. This is part of the suite. It's a private seating area for  
9 the suite.

10 Q. Sir, that was the first event that you went to with  
11 Mr. Seabrook, right, or that you had Mr. Seabrook come to,  
12 correct?

13 A. I believe so.

14 Q. And after that initial football game --

15 MS. NECHELES: Do you want to take that down?

16 Q. -- you started taking Mr. Seabrook out to dinner with  
17 Mr. Banks and Mr. Harrington, right?

18 A. Jeremy and I took him out often, yes.

19 Q. And these were very good kosher restaurants, right?

20 A. Yes.

21 Q. And sir, you would not eat in a non-kosher restaurant,  
22 right?

23 A. That's right.

24 Q. So you had to go to kosher restaurant if you were going out  
25 to dinner with other people, right?

IBTTGRA4

Rechnitz - Cross

1 A. Yes.

2 Q. Whether or not they kept kosher, you were going only to a  
3 kosher restaurant, right?

4 A. Right.

5 Q. Am I correct that kosher restaurants are more expensive  
6 than non-kosher restaurants.

7 A. I don't think so, no.

8 Q. No?

9 A. I don't think so.

10 Q. You don't eat at non-kosher restaurants?

11 A. I know the times I had to go to non-kosher it was also  
12 expensive.

13 Q. And these were nice restaurants, right?

14 A. Yes.

15 Q. And that's where you liked to eat, right?

16 A. Yes.

17 Q. You went there when you were not with police officers,  
18 right?

19 A. Right.

20 Q. That's the kind of place you liked to go to, right?

21 A. Right.

22 Q. And there were a lot of people there in those restaurants,  
23 right?

24 A. At times, yes.

25 Q. And a lot of people in the Orthodox community liked to go

IBTTGRA4

Rechnitz - Cross

1 to those restaurants. Those are nice restaurants, right?

2 A. Right.

3 Q. And you wanted to be seen publicly Phil Banks and

4 Mr. Seabrook, right?

5 A. Sometimes yes, sometimes no. There were times we wanted to  
6 be seen.

7 Q. And you did not seek to keep this secret, right?

8 A. That's right.

9 Q. Nothing secret about what you were doing, right?

10 A. No, if we were eating at a public place, other people could  
11 see.

12 Q. And that was on a weekly basis, you said, right?

13 A. Yes.

14 Q. And so lots of people knew you were there, right?

15 A. Yes.

16 Q. And you testified also that you then took Mr. Seabrook on a  
17 couple of trips to the Dominican Republic, right?

18 A. Yes, we went on two trips.

19 Q. In November and December of 2013, correct?

20 A. That's right.

21 Q. Once was flown on a private jet, right?

22 A. Yes.

23 Q. And that was the flight that Mr. Banks went on as well,  
24 right?

25 A. It was Norman, Jeremy, me, and Philip Banks.

IBTTGRA4

Rechnitz - Cross

1 Q. And the other time you had gone on commercial, right?

2 A. Yes.

3 Q. But you decided to get a private jet because you wanted to  
4 impress Mr. Banks and Mr. Seabrook, right?

5 A. Yes.

6 Q. And you wanted to do that so that they would be your  
7 friends by impressing them, right?

8 A. Not to be my friends, I did it so that they would feel  
9 close to me so that we would have a very trusting relationship  
10 with one another. And Jeremy and I definitely wanted to  
11 impress them to get as close possible as we could.

12 Q. And how do you think that by showing them that you could  
13 have a private plane that that made them trust you?

14 A. Not many people had done that for them, so they probably  
15 felt special. And my assumption was that we would have a lot  
16 of quality time and they would be attracted to being close to  
17 us.

18 Q. And that was something you often did, right, you would take  
19 people on a private plane to impress them?

20 A. Yes.

21 Q. And am I correct that you always insisted that you got one  
22 type of plane, right?

23 A. I preferred a Challenger 300 or 604.

24 Q. And if they didn't have that and you were bringing other  
25 people, you wouldn't reserve it, right?

IBTTGRA4

Rechnitz - Cross

1 A. No, it was about comfortability.

2 Q. And am I correct, sir, that you told people that this  
3 plane -- that your father owned a share in this plane?

4 A. That's correct. I even told people, I think, that we owned  
5 it outright.

6 Q. So it's not just that you had people thinking that you  
7 could rent a plane, it was that you owned a plane, right?

8 A. Yes, I lied.

9 Q. And so when you were taking people on these plane trips,  
10 they didn't think you had to pay all that money to rent it,  
11 right?

12 A. I can't tell you what people think or don't think, I could  
13 just tell you that at certain times I told people I owned it,  
14 at other times I said I chartered it. I don't know, I can't  
15 generalize.

16 Q. Well, but at times you said to people that your dad owned  
17 this plane, right?

18 A. There are people I said that to.

19 Q. Okay. And these trips to the Dominican Republic were very  
20 short trips, right?

21 A. Yes.

22 Q. And like one night, right?

23 A. That's right.

24 Q. You go down one day and stay and come back the next night,  
25 right?



IBTTGRA4

Rechnitz - Cross

1 A. Yes.

2 Q. Next morning.

3 And you would say at fancy villas or hotels?

4 A. Yes.

5 Q. You found very luxurious or hidden villas, right?

6 A. It was called Eden Rock.

7 Q. And you had to drive quite a way from the airport to get  
8 there?

9 A. Ten minutes, 15 minutes.

10 Q. And you had your own -- it was your own villa private?

11 A. We had a shared villa for everybody who was there,  
12 including the guests.

13 Q. You and the guests would stay in a private villa, right?

14 A. Yes.

15 Q. And you would get prostitutes there, right?

16 A. Yes.

17 Q. And you would have arranged beforehand to have these  
18 prostitutes present, right?

19 A. Yes.

20 Q. In fact, the first time you went, you learned that  
21 Mr. Peralta had connections in the Dominican Republic to get  
22 prostitutes, right?

23 A. Yes.

24 Q. And so you got the contact information from him, right?

25 A. No.

IBTTGRA4

Rechnitz - Cross

1 Q. No? Did you tell -- did you state previously that you got  
2 the contact information and arranged for and paid for  
3 prostitutes?

4 A. I think that I arranged it through him on the second trip.

5 Q. And you did not tell Mr. Banks or Mr. Seabrook that the  
6 women were paid for, right?

7 A. That's not the kind of thing you have to say. They didn't  
8 pick them up in a bar.

9 Q. And sir, am I correct that you often had prostitutes come  
10 to your parties?

11 A. No.

12 Q. Well, you had a party at a hotel in New York City sometime  
13 before the Superbowl trip to Las Vegas and you paid Mr. Franco  
14 to pay for prostitutes.

15 A. That's not true.

16 Q. You didn't tell that to the government?

17 A. No.

18 Q. Did you make -- did you say on a previous date --

19 Do you recall meeting with the government in May of  
20 2016 with your attorney present?

21 A. I had many meetings, I don't know which date.

22 Q. Do you recall telling the government that -- the date is  
23 May 12, 2014 -- 2016, and do you recall telling the government  
24 that there was a party in a Manhattan hotel, maybe the  
25 Royalton, sometime before the Vegas trip, and that you paid for

IBTTGRA4

Rechnitz - Cross

1 prostitutes, and you think that you had paid Marco Franco who  
2 paid the prostitutes.

3 Do you recall telling that to the government?

4 A. No, I think that's a mix of a couple of things that I told  
5 him, that I put Laura Colon in the Royalton, and that maybe  
6 Marco or Jeremy paid for prostitutes in Vegas.

7 Q. So you're saying that you never said that?

8 A. No.

9 Q. And am I correct that you also went on a trip to Florida in  
10 2000 -- by the way, Marco Franco is your friend, right?

11 A. Yes, he is.

12 Q. And you also went on a trip to Florida in 2013 to see the  
13 BCS championship game, right?

14 A. Yes, we flew down, cops on the plane, me, Jeremy, Capul.  
15 We talked about it yesterday.

16 Q. And sir, when you were there you threw a party with food,  
17 alcohol and prostitutes, right?

18 A. Yes.

19 Q. And you paid for that, right?

20 A. Yes.

21 Q. And you paid for the prostitutes there and coordinated  
22 them, right?

23 A. I did not coordinate.

24 Q. Well, did you tell the government --

25 A. Maybe I misunderstood coordinate to be direct.

IBTTGRA4

Rechnitz - Cross

1 Q. I don't mean direct, coordinated, obtaining them for that.

2 A. Yes.

3 Q. How did you do that?

4 A. There was a contact of someone I knew there who I called,  
5 and he knew someone who -- someone who got women for the cops.

6 Q. On all the Dominican Republic trips you had prostitutes  
7 there, right?

8 A. Yes.

9 Q. And you had a lot of prostitutes there, right?

10 A. That's right.

11 Q. And you took videos of them, right?

12 A. No.

13 Q. Well, there came a time when you destroyed the videos of  
14 the Dominican Republic trip, right?

15 A. That's not true.

16 Q. You never destroyed the videos of the Dominican Republic  
17 trips?

18 A. No, there were some videos left.

19 Q. You destroyed some of them, didn't you?

20 A. No.

21 Q. We'll get back to that.

22 And on all of the trips to the Dominican Republic, you  
23 were the one who arranged for and paid for the prostitutes,  
24 right?

25 A. For the most part, yes.

IBTTGRA4

Rechnitz - Cross

1 Q. In fact, wasn't the whole point of going overnight to the  
2 Dominican Republic on this big trip was so that you could hang  
3 out with these prostitutes?

4 A. No. Jeremy and I had had a lot of discussions before  
5 booking such a trip. It was a very big expense. We had a  
6 motive each time. And it was to treat the cops, and we were  
7 getting things in return. This is what we were doing, we were  
8 giving them gifts with the expectation of things in return.

9 Q. And you're saying that's what happened each time you and  
10 Jeremy went to the Dominican Republic to treat the cops, and  
11 before you went you had a discussion: Oh, let's get  
12 prostitutes, that will be good. And that's why you went and  
13 got prostitutes?

14 A. We actually spoke very specifically about all the events.  
15 This was an ongoing relationship. This was an ongoing  
16 relationship where we would do things, we would discuss them  
17 before, because they're not cheap expenses, and we wanted to  
18 figure out how to get the most bang for our buck.

19 Q. You wanted to make sure at that all this money that you  
20 were spending on flying down there, renting a villa, getting  
21 cars, you brought security also, right?

22 A. Yes.

23 Q. And that's security was Mike Milici?

24 A. Yes.

25 Q. And you wanted to make sure that after doing all of that

IBTTGRA4

Rechnitz - Cross

1 you got the best bang for your buck, right?

2 A. Absolutely.

3 Q. But the first time you went you didn't have any police with  
4 you, did you?

5 A. The first time we went was another business reason of ours.  
6 We went with Hamlet Peralta, who we were making a lot of money  
7 with. Like I was saying, there was different motivations for  
8 different types of gifts. As Jeremy did, I viewed these cops  
9 as a business. Just like we viewed Hamlet Peralta for the  
10 first trip, we were going to spoil him. Hamlet was bringing a  
11 service of money, we were spending money keeping him happy.  
12 The cops we took was to impress them, get close to them, to get  
13 things in return from them.

14 Q. Sir, with Hamlet Peralta, when you say he was making you  
15 money, you were bringing him money in exchange for that, right?

16 A. I brought him investors --

17 Q. Okay.

18 A. -- and he brought Jeremy and I commissions in the hundreds  
19 of thousands of dollars.

20 Q. And it turned out to be a Ponzi scheme, right?

21 A. Yes.

22 Q. And now you say that also -- that you also had to give him  
23 prostitutes, is that what you're saying?

24 A. Pardon?

25 Q. You're saying now you also had to give him prostitutes?

IBTTGRA4

Rechnitz - Cross

1 A. No, he arranged it on the first trip.

2 Q. And you went up and you paid for it, right?

3 A. Not on the first trip. Once Jeremy and I were with Hamlet  
4 on the first trip, this was the experience we had, so we wanted  
5 to give that to the cops.

6 Q. And am I correct that after you started cooperating there  
7 came a time where it appeared to you that there would be a  
8 newspaper article -- you learned that there would be a  
9 newspaper article about the prostitute on the Las Vegas trip,  
10 am I correct?

11 A. Yes.

12 Q. Yes?

13 A. Yes, Sean Cohen, who is no longer with the New York Post,  
14 had called. He had called my wife to say that they are running  
15 an article, do we have a comment.

16 Q. And you and your father had hired a publicist or a PR  
17 person, right?

18 A. We did not, and I don't want to breach attorney-client  
19 privilege.

20 Q. Well, you and your father were reaching out directly to the  
21 PR person, right?

22 A. Yes.

23 Q. And in those direct conversations you were saying this is  
24 the most important thing in the world, it cannot get out that I  
25 was with a prostitute, right?

IBTTGRA4

Rechnitz - Cross

1 A. I don't know what I wrote, but it was very disturbing at  
2 the time.

3 Q. Well, and you were -- that was one of the most important  
4 things to you at that point was that the world not know that  
5 you had been with prostitutes, right?

6 A. Yes.

7 Q. And?

8 A. Not just me, but Jeremy as well, because we were associated  
9 with one another.

10 Q. But at that point you decided to cooperate against  
11 Mr. Reichberg, right?

12 A. I decided to cooperate for the government, not that I was  
13 trying to work against Jeremy.

14 Q. But you were testifying against him, right?

15 A. I am --

16 MR. BELL: Objection.

17 THE COURT: Sustained. I'm striking the answer. You  
18 can proceed.

19 Q. And sir, is it your testimony that when you hired the PR  
20 person and you sought to get them to quash that story and you  
21 were so upset, it was in part because you were worried about  
22 Mr. Reichberg's reputation, is that what you're saying?

23 A. Again, I did not hire and I can't breach attorney-client  
24 privilege.

25 Q. When you were contacting personally, and having your father



IBTTGRA4

Rechnitz - Cross

1 personally contact this PR person to try to get them to squash  
2 the article, was that -- is it your testimony it was because  
3 you were concerned about Mr. Reichberg's reputation?

4 A. I was concerned about mine, and if they had written about  
5 me or Jeremy any of the truth of things that occurred, it would  
6 be humiliating.

7 Q. And it was -- this was the issue, that it was such concern  
8 to you that you then had hired a publicist, right?

9 MR. BELL: Objection.

10 Q. Well, this was the issue that was of such concern to you  
11 that you were reaching out to a publicist to get it squashed,  
12 right?

13 A. Again, it was something which was of utmost concern to me,  
14 and it was the first time I considered getting a publicist  
15 involved.

16 Q. And sir, am I correct that because this is of such an  
17 embarrassing and shameful nature to you, you have always said  
18 somebody else did this?

19 MR. BELL: Objection.

20 THE COURT: Sustained.

21 Q. Well, that's what you say, somebody else did this, right?

22 MR. BELL: Objection.

23 THE COURT: Sustained.

24 Q. Well, sir, am I correct that the first time that you went  
25 and spoke with the government you said that someone other than

IBTTGRA4

Rechnitz - Cross

1 Mr. Reichberg arranged for the prostitute on the Las Vegas  
2 trip?

3 A. I think I said it was either Jeremy or Marco at the time.

4 Q. But since then you have become convinced it was  
5 Mr. Reichberg, right?

6 A. Yes, he did.

7 Q. And you had met Gabi Grecko before, right?

8 A. No, I did not.

9 Q. And I want to move on from the prostitute and back to  
10 discussing Mr. Seabrook.

11 Now you got -- one of the trips that you went to Las  
12 Vegas on was in December of 2013, right? I don't mean --  
13 withdrawn.

14 One of the trips that you went to the Dominican  
15 Republic with Mr. Seabrook was in December 2013, right?

16 A. That's right.

17 Q. And on that trip you and Mr. Seabrook were spending time  
18 alone together, right?

19 A. Yes.

20 Q. And you were in a bedroom, or where were you together?

21 A. He was in his room when we decided to have the talk.

22 Q. You were alone privately in his room and having a talk,  
23 right?

24 A. Right.

25 Q. And he had no shirt on?

IBTTGRA4

Rechnitz - Cross

1 A. That's right. He had a shirt, he just showed me a tattoo  
2 of his dog on his chest.

3 Q. And he had been drinking, right?

4 A. Yes.

5 Q. He was a little drunk, right?

6 A. That's right.

7 Q. And he was telling you about his life, right?

8 A. Parts about his life, yes.

9 Q. And he thought you guys were close at that time, right?

10 A. Yes.

11 Q. And so he was sharing some of his feelings about his life,  
12 right?

13 A. Yes.

14 Q. And talking about how hard it was to be a black man in  
15 America, right?

16 A. Yes.

17 Q. And in addition, he was saying telling you about some of  
18 his money troubles, right?

19 A. Right.

20 Q. And then you decided to offer him a bribe, right?

21 A. Yes.

22 Q. So you took -- he was telling you all this because he  
23 thought he was your friend, right?

24 MR. BELL: Objection, your Honor.

25 THE COURT: Sustained.

IBTTGRA4

Rechnitz - Cross

1 Q. Was that your understanding of why he was telling you these  
2 things?

3 MR. BELL: Objection, relevance.

4 THE COURT: Thank you. Can you reframe the question,  
5 counsel?

6 Q. Sir, when he was sharing these very personal things, it was  
7 after you and he had established a relationship of friendship,  
8 right?

9 A. Friendship and comfortability.

10 Q. And at that point you decided to offer him a bribe, right?

11 A. Yes.

12 Q. And it was your idea, right?

13 A. Yes.

14 Q. You hadn't talked about it with anybody before, right?

15 A. I had discussed the idea with Murray at one point before  
16 the trip, and Jeremy, and this was the right time to strike.

17 Q. You never before said that you discussed this before then  
18 with Mr. Reichberg, have you?

19 A. I think I have when I have been asked.

20 Q. You never said that to the government before, have you?

21 A. I have.

22 Q. And you testified about this bribe offer before and you  
23 never mentioned Mr. Reichberg, right?

24 A. I sure have.

25 Q. Well, you never said that before you made this bribe offer

IBTTGRA4

Rechnitz - Cross

1 you had discussed it with Mr. Reichberg, right?

2 A. I have. I have said that many times.

3 Q. You said that in your testimony under oath?

4 MR. BELL: Objection.

5 THE COURT: Sustained.

6 Q. Well, you've testified about this in two prior proceedings,  
7 right?

8 A. Yes.

9 MR. BELL: Objection.

10 THE COURT: I accept the answer.

11 Q. And you never said in those two prior proceedings that  
12 before you made this bribe offer you discussed it with  
13 Mr. Reichberg, right?

14 MR. BELL: Objection.

15 THE COURT: Sustained.

16 Q. And other than your testimony, there's no document or video  
17 or anything like that, right?

18 MR. BELL: Objection.

19 THE COURT: Thank you. You can answer the question to  
20 the extent you know the answer.

21 A. I'm not sure. There may be.

22 Q. You think there might be a video or document?

23 A. There could be footage from the room, there could be text  
24 messages. There's a lot of independent evidence that I'm not  
25 privy too.

IBTTGRA4

Rechnitz - Cross

1 Q. But you have never seen one, right?

2 A. No.

3 Q. And sir, when you offered this bribe to Mr. Seabrook, you  
4 told him that you were part owner of Platinum Partners, right?

5 A. That's right.

6 Q. And you were not, right?

7 A. No, I lied.

8 Q. And you lied about that.

9 And that was a hedge fund that was worth a billion  
10 dollars, you said, right?

11 A. Yes.

12 Q. And when you lied about this to him, this was to lure him  
13 into accepting the bribe, right?

14 A. Yes, I wanted to lure him in and I wanted to bribe him.

15 Q. You wanted to make him feel comfortable with you, right?

16 A. That's right.

17 Q. And to trust you, right?

18 A. Right.

19 Q. That's why you developed the trip and you were up there in  
20 his room drinking with him and comforting him and listening to  
21 his secrets, right?

22 A. Yes.

23 Q. To lure him in and make him comfortable with you, right?

24 A. That's right.

25 Q. And that was you alone, right?

IBTTGRA4

Rechnitz - Cross

1 A. At that time it was me and him in the room.

2 Q. And that's because Mr. Seabrook really trusted you, right?

3 MR. BELL: Objection.

4 THE COURT: Sustained.

5 Q. Well, did Mr. -- well, withdrawn.

6 Did Mr. Seabrook tell you not to tell Jeremy about  
7 this bribe?

8 A. Yes.

9 Q. And he told you, am I correct, that Mr. Reichberg was not  
10 like you and Mr. Seabrook and he did not want him knowing about  
11 this, right?

12 A. Yes, he told me he didn't trust him.

13 Q. He didn't trust him to keep something like this quiet,  
14 right?

15 A. I don't know what he meant, but he said he couldn't trust  
16 him.

17 Q. But he trusted you, right?

18 A. That's right.

19 Q. And he didn't know that you had alternative motives for all  
20 of this, right?

21 MR. BELL: Objection.

22 THE COURT: Sustained.

23 Q. Well, when he trusted you, you have testified already that  
24 you were trying to lure him into something and had taken  
25 certain actions to try to lure him into something, right?

IBTTGRA4

Rechnitz - Cross

1 A. Yes.

2 Q. And he didn't realize that in his closeness with you,  
3 right?

4 MR. BELL: Objection.

5 A. I can't speak --

6 THE COURT: Sorry, that's sustained.

7 You can proceed.

8 Q. Now you said he didn't trust Mr. Reichberg. Mr. Reichberg  
9 likes to exaggerate things, right?

10 MR. BELL: Objection.

11 Q. To your knowledge?

12 THE COURT: Can you rephrase the question, counsel?

13 Q. You said Mr. Seabrook didn't trust Mr. Reichberg, right?

14 A. He told me that he didn't trust him for this specific.

15 Q. Okay. Well, Mr. Reichberg, you are aware, often says he  
16 will get something accomplished and it's not true, right?

17 A. No, I think he procrastinates a lot.

18 Q. And you have said before that he's like 95 percent of a  
19 bullshitter I think is the term you used.

20 MR. BELL: Objection.

21 Q. Is that correct?

22 THE COURT: Thank you. Can you rephrase the question,  
23 counsel?

24 Q. You said before that Mr. Reichberg -- isn't it correct that  
25 you view Mr. Reichberg as someone who often says things that



IBTTGRA4

Rechnitz - Cross

1 are not truthful or are not going to happen?

2 A. Yes.

3 Q. And am I correct that you think that the vast majority of  
4 time that Mr. Reichberg says something he's exaggerating or  
5 saying he is going to do something, that will not happen,  
6 correct?

7 A. I may have said that. I don't recall saying that.

8 Q. But that was your opinion, right, of him?

9 A. No, I wouldn't say 95 percent, it may have been at a  
10 specific moment when I said that. There are certain things  
11 that he says where my gut tells me to believe him and certain  
12 things when I feel he's not being straight. When he's talking  
13 about taking care of tickets or telling me someone will show up  
14 for a police escort through the Lincoln Tunnel, I believe him,  
15 and he delivers.

16 Q. We'll get there.

17 MR. BELL: Objection.

18 THE COURT: Let the witness finish his answer.

19 A. When he says he will be there at 5 o'clock, everyone knows  
20 it's 9:30.

21 Q. We'll get to the tickets and the Lincoln Tunnel, but right  
22 now I'm talking about Mr. Seabrook. Do you understand that?

23 MR. BELL: Objection.

24 THE COURT: Thank you. There's no question pending.

25 Please proceed.

IBTTGRA4

Rechnitz - Cross

1 Q. Sir, when Mr. Seabrook said he did not want Jeremy to know  
2 about this, you agreed with Mr. Seabrook that you would not  
3 tell Jeremy, right?

4 A. I told Norman I would not tell Jeremy.

5 Q. That was an agreement that you made with Mr. Seabrook, that  
6 you would not tell Jeremy, right?

7 A. Yes, I told him not to worry, I will not tell Jeremy.

8 Q. And in fact, sir, you told the government that you did not  
9 tell Mr. Reichberg about the investment deal between COBA and  
10 Platinum at first, right?

11 A. I told them after I had already spoken to Murray. I told  
12 him well before the actual investment took place.

13 Q. Well, you said --

14 THE COURT: Sorry, counsel, could you ask what COBA  
15 is?

16 Q. Sir, you understand COBA to be the Corrections --

17 A. Officers Benevolent Association.

18 Q. -- Officers Benevolent Association.

19 THE COURT: Thank you.

20 Q. And he found out eventually, right?

21 A. Yeah, Murray and I told him.

22 Q. And but again -- withdrawn.

23 So in fact isn't what Mr. Seabrook said to you, you  
24 have said, is that Mr. Seabrook said about Mr. Reichberg: I  
25 don't know if I can fuck with him. He's not like me and you.

IBTTGRA4

Rechnitz - Cross

1 Right?

2 A. Yes.

3 Q. So he wasn't saying he couldn't trust him, he was saying he  
4 is not dishonest like you, right?

5 MR. BELL: Objection, your Honor.

6 THE COURT: Sustained.

7 Q. Well, is that what you understood him to be meaning?

8 MR. BELL: Objection, your Honor.

9 THE COURT: Thank you. You can answer the question.

10 A. I understood Norman to say that he didn't trust him.

11 Q. And now when you return to the trip -- from the trip,  
12 according to you, you went to Mr. Huberfeld and then negotiated  
13 a bribe with him, right?

14 A. I negotiated on his behalf. I was a messenger between both  
15 parties who were negotiating with one another.

16 Q. So you went back and forth. It's your testimony that you  
17 went back and forth, according to you, between Mr. Huberfeld  
18 and Mr. Seabrook, right?

19 A. Yes.

20 Q. And Mr. Reichberg is not in any of those meetings, right?

21 A. Correct, Norman did not want him to know.

22 Q. And in fact, at some point you reached an agreement, right?

23 A. They reached an agreement, yes.

24 Q. For how much would be paid for how much of an investment?

25 A. That's right.

IBTTGRA4

Rechnitz - Cross

1 Q. That's what the agreement was about, correct?

2 A. The agreement was how much Norman would be paid and how  
3 much Jeremy would be paid and how much I would be paid.

4 Q. Well, the agreement with Mr. Seabrook was not about how  
5 much Jeremy would be paid, right?

6 A. I thought you asked me the agreement on what would be paid.

7 Q. Okay. So I'm talking about the agreement that you reached  
8 with Mr. Seabrook and Mr. Huberfeld, right?

9 MR. BELL: Objection, your Honor, that's --

10 THE COURT: Please rephrase the question.

11 Q. There was an agreement on how much money Mr. Huberfeld --  
12 or Mr. Seabrook could cause to be invested in Platinum Partners  
13 and how much money he would get paid by Platinum Partners as a  
14 bribe for investing that money, right?

15 A. There was a formula and a calculation based on an example  
16 of an investment of what Mr. Seabrook would receive for  
17 directing the funds to Platinum.

18 Q. And that's an agreement, right?

19 A. Yes.

20 Q. And so the answer to my question was yes?

21 MR. BELL: Objection.

22 A. Yeah, a non-written --

23 THE COURT: I accept the answer.

24 Q. And then it had to go through a process of getting  
25 approval -- this investment had to go through a process of

IBTTGRA4

1 getting approval by the union board, correct?

2 A. I believe so.

3 Q. And so there was a whole process to be shepherded through  
4 to make sure this actually occurred, right?

5 A. I believe so. I was not part of that process.

6 Q. Well, you received emails about that process, right?

7 A. I received emails coordinating meetings, but I don't know  
8 what approval process in the board was necessary.

9 Q. Okay. And --

10 A. Or required.

11 Q. And I want to show you what has been marked as JR36019.

12 THE COURT: Counsel, I'm going to be looking for a  
13 time to break sometime soon. If you could let me know when  
14 would be an appropriate time.

15 MS. NECHELES: We can do this now.

16 THE COURT: Good thank you.

17 So ladies and gentlemen, it's about time for us to end  
18 our day. First, as always, thank you very much for being here  
19 and all your attention. I very much appreciate it, as do the  
20 parties. Please, during this recess, don't talk about the case  
21 with anyone or yourselves, each other, and also don't research  
22 the case or anything involved in it, and steer clear of any  
23 news that you may happen to see about the case.

24 Thank you. See you tomorrow morning.

25 (Jury not present)

IBTTGRA4

1 THE COURT: Mr. Rechnitz, you are excused. As before,  
2 please don't discuss this case or your testimony with any  
3 person during this recess apart from your counsel and the  
4 government with respect to any scheduling matters only.

5 THE WITNESS: Yes, your Honor.

6 THE COURT: Good. Thank you. Counsel, as  
7 Mr. Rechnitz is making his way out, are there any issues that  
8 you would like to take up?

9 I have a short list of things that I would like to  
10 make sure that we have the opportunity to address. The first  
11 two are the redactions to 12602 and 12603, they have been  
12 accepted into evidence, 12602 subject to anticipated  
13 redactions, I have not yet accepted 12603 with the expectation  
14 that the parties would be talking about redactions.

15 Could I ask the parties to take up that issue between  
16 now and tomorrow morning so that the properly marked redacted  
17 versions of those documents will be available?

18 MS. NECHELES: Yes, your Honor.

19 THE COURT: Good. I also ask that the defense prepare  
20 marked versions of each of the redacted exhibits that we  
21 discussed earlier today, which were the subparts of  
22 Mr. Rechnitz's credit card statements, 12084A and B, and then  
23 also what was ultimately marked as 12084, which was the  
24 singular page with the top three entries and the other  
25 components of the page redacted.

IBTTGRA4

1 Counsel for the defense is also going to work on the  
2 transcript of this video, to the extent that you still wish to  
3 introduce it, and I'll review the text of that overnight.

4 There was some questioning about a Peralta settlement  
5 agreement, which I understood the witness was uncomfortable  
6 responding to. I did not order him to respond because I don't  
7 know the parameters of that issue.

8 Counsel, is there anything that I can or should know  
9 about that at this point? My proposal would be for there to be  
10 some conference with perhaps his counsel to understand what the  
11 nature of the privilege is, the confidentiality of that  
12 information is so I could evaluate whether or not the  
13 questioning should be forestalled.

14 MR. BELL: Could we have one moment, your Honor?

15 THE COURT: Please do. Take your time.

16 (Pause)

17 MR. BELL: Your Honor, it may be, as an initial  
18 matter, appropriate for your Honor to inquire or to request a  
19 proffer of relevance as to this testimony, as it eluded us at  
20 the front table.

21 The secondary inquiry that may be helpful and may  
22 shorten this is an inquiry to counsel for defendant Reichberg  
23 as to whether this is something that they look to -- that  
24 they're going to look to go back into. I actually was of the  
25 impression that topically we moved on. I'm not sure that

IBTTGRA4

1 Ms. Necheles sees a profit in returning to this.

2 MS. NECHELES: Your Honor, I'm sorry, I really can't  
3 hear a lot of what he says.

4 MR. BELL: I'm sorry.

5 THE COURT: I don't think it's you, I think that the  
6 volume on your microphone is still low.

7 MR. BELL: I have only got an on or off switch.

8 I will say it again, if it's helpful.

9 THE COURT: Please do.

10 MR. BELL: I was saying in the first instance it might  
11 be helpful for your Honor to request a proffer of the relevance  
12 of this testimony, as it eluded us, at the very least.

13 And secondly, it may be helpful for your Honor to ask  
14 whether this is terrain in which Ms. Necheles seeks do wander  
15 again. I was of the impression that she moved on, and also of  
16 the impression this was not terribly profitable ground in any  
17 event. If she does not seek to go back there again, it may not  
18 be something that we need to inquire.

19 The only thing that I would add to that, your Honor,  
20 is what I understand from the witness -- and this is not inside  
21 information, this is just my sitting here and viewing this --  
22 was an expression of the sentiment that he could not properly  
23 answer that question without with wading into areas of  
24 privilege that he's not prepared to navigate himself. And I do  
25 tend to think that if we could find some sort of solution that



IBTTGRA4

1 does not involve further complicating that for him, given the  
2 concerns at stake, we're probably all better off.

3 THE COURT: Thank you. Counsel for defendant, the  
4 gating question for defendant Reichberg, the gating question is  
5 whether or not this is an issue that you expect to return to.  
6 If so, the secondary question is the government's asked for a  
7 proffer on relevance.

8 MS. NECHELES: Your Honor, I did think I was going to  
9 return, but I was frankly surprised by the answer. The  
10 relevance was this is a person who said many times on direct  
11 examination I'm a changed person now, money no longer matters  
12 to me. He had defrauded people out of substantial amounts of  
13 money, not paid his taxes, and there's people -- bankruptcy  
14 proceedings going on, people out of money, and I thought he was  
15 going to say he hasn't paid anything. Now it turns out he paid  
16 something, and yeah, I would like to know what that is. And I  
17 think that what he is saying is not that it's privileged, that  
18 he entered into a settlement agreement that has a  
19 confidentiality aspect.

20 THE COURT: Thank you. That last part was consistent  
21 with my understanding of his testimony; not that it was  
22 privileged, but rather subject to some kind of confidentiality  
23 undertaking that I was reluctant to overcome at that point in  
24 time.

25 I think it might be most efficient, if there are no

IBTTGRA4

1 objections to this approach, for counsel to discuss this with  
2 counsel for Mr. Rechnitz and understand what the nature of the  
3 issue so that either a solution could be worked out amicably or  
4 so the Court could evaluate whether the confidentiality  
5 overtaking is one that can or should be overcome here.

6 MR. BELL: I note for the record, just because this  
7 may complicate the proceedings, as your Honor knows,  
8 Mr. Rechnitz -- the composition of Mr. Rechnitz's counsel has  
9 changed recently. Ms. Berger I think had been most acutely  
10 involved in the day-to-day representation of Mr. Rechnitz. To  
11 the extent that Mr. Levine needs to speak to his client in  
12 order to get us information about this, I assume that that's  
13 okay.

14 THE COURT: Thank you. I have no issue with that. I  
15 expect that's necessary.

16 Counsel for defendants, do either of you have a  
17 concern about that?

18 MS. NECHELES: I have no issue.

19 MR. MERINGOLO: No issue.

20 THE COURT: Good. Please do coordinate with  
21 Mr. Levine. Let me know whether or not a resolution of this  
22 issue can be reached between counsel, and if not, I will be  
23 prepared to discuss the parameters of the issue perhaps with  
24 the benefit of both counsel for Mr. Rechnitz tomorrow.

25 So one of the other issues that I wanted to talk about

IBTTGRA4

1 with respect to witnesses, in addition to the police officers,  
2 were other potential defense witnesses. We put in place a  
3 protocol that was triggered by the one week to close of the  
4 government's testimony. We anticipated that date would be  
5 around Tuesday of this week, but we had our day of rest earlier  
6 this week. Should I think of this as the week from the  
7 government rest date such that the protocol that we discussed  
8 earlier is now triggered?

9 MS. LONERGAN: Yes, your Honor. We believe that it  
10 is -- I mean of course we make no promises, but that it is fair  
11 to anticipate that it's possible that we can rest by the close  
12 of next week.

13 THE COURT: Good. Thank you. Now with respect to the  
14 police officers, we've done that.

15 The second part --

16 MS. LONERGAN: Your Honor, may I just --

17 THE COURT: Please.

18 MS. LONERGAN: On the police officers, I had  
19 correspondence from the NYPD earlier today. They believe that  
20 your Honor previously set in place a schedule where they were  
21 supposed to respond within 48 hours. They're wondering if that  
22 is still in place or just what the deadline would be for their  
23 written response, because they're just trying to coordinate  
24 that.

25 THE COURT: Thank you. That's fine. That is exactly

IBTTGRA4

1 what is required by my November 6 order, and I don't expect to  
2 deviate from that. My preference, however, which I was  
3 communicating this morning, is that the parties work as hard as  
4 possible to resolve these discovery-related disputes among  
5 themselves. My hope was that the conversation that counsel for  
6 Mr. Grant would engage in with the NYPD might narrow the  
7 issues.

8 The way that it's just been described to me assumes  
9 that every issue will be litigated and that every issue will be  
10 brought to the Court. That's not always the most efficient.  
11 So my hope is that a conversation will happen and then any  
12 submission to the Court will happen still on the time frame  
13 that I originally established.

14 MS. LONERGAN: Your Honor, to be clear, this is not  
15 assuming that they're going to have objections, I don't know  
16 their position, so don't want to speak for them, but just so I  
17 can accurately represent to them the Court's wishes with  
18 respect to timing, my understanding is that this letter by  
19 Mr. Grant was filed -- Mr. Grant's counsel was filed yesterday,  
20 so any written response by the NYPD would be due tomorrow. Is  
21 that correct?

22 THE COURT: That is correct. To the extent that I  
23 understand from the communications that the defense will have  
24 with the NYPD overnight that there may be some benefit to  
25 pushing back that briefing schedule, I would be happy to

IBTTGRA4

1 entertain a potential deferral of that briefly so the parties  
2 could work through the issues and to narrow those presented to  
3 the court. My strong preference is for the parties to amicably  
4 resolve the issues, and if that would help the process I would  
5 entertain the request tomorrow morning to extent that deadline.

6 MS. LONERGAN: Understood, your Honor. Thank you.

7 MS. NECHELES: Your Honor, with respect to timing of  
8 the trial, I'm kind of trying to make plans myself. I have  
9 some surgery, minor, that I want to schedule, and I'm kind of  
10 surprised by it, and I want to know that I can rely on this.  
11 There's 28 witnesses still on the witness list, and some of  
12 them are quite substantial.

13 I'm surprised by the idea that we will essentially not  
14 be calling any more witnesses, because I think that  
15 Mr. Rechnitz is -- I mean for sure -- I believe I will finish  
16 crossing him on Monday, and then I don't know how long  
17 Mr. Meringolo will go. I assume there will be some redirect,  
18 maybe some recross, so maybe he gets off the witness stand  
19 around Tuesday or Wednesday at the earliest.

20 And so I guess what the government is saying is  
21 they're not calling any more witnesses. And that surprises me,  
22 because there are elements of this case that they have spoken  
23 about, and certainly one entire charge that they have not had  
24 witnesses. But if they are not calling anyone else, that's  
25 fine.

IBTTGRA4

1 But I would then need to know that, because part of  
2 what I do in planning a case is to figure out who they're  
3 putting on so I can cross-examine about stuff, and then if they  
4 don't put those people on I need to arrange for some witnesses  
5 maybe to put some evidence in. But I need to subpoena people.

6 It's very difficult to know when I have a witness list  
7 that they assured me is a real witness list and it has 28  
8 people left on it, and now I'm hearing the government plans to  
9 rest next week, and I just can't see how this witness finishes  
10 before Tuesday or Wednesday. So if we could get some clarity,  
11 it would be helpful.

12 (Continued on next page)

13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

IBTKGRA5

1 MS. LONERGAN: Your Honor, first of all, before  
2 Thanksgiving, we issued a revised witness list, which had fewer  
3 than 28 individuals on it. I think it was closer to 20.

4 THE COURT: Can I ask you to move the microphone a  
5 little closer to you.

6 MS. LONERGAN: Yes. Can I just try this microphone.  
7 No, I can't.

8 Before Thanksgiving, we issued a revised witness list  
9 that had fewer than 28 individuals on it. I think it was  
10 closer to 20. As defense counsel well knows, we have been  
11 working with them to reduce that number even further, by  
12 entering into stipulations.

13 We also anticipate a long cross; however, a number of  
14 our remaining witnesses are short. We are not stating here  
15 today that we are not calling any more witnesses. That is  
16 clearly not the case.

17 Look, I said, I think it is possible that we end on  
18 Friday. It is also possible we extend into the next week, but  
19 the issue is, we don't want things to go much faster than we  
20 expect and to be caught unawares. If the Court wishes to set,  
21 rather than tomorrow, Monday as the one week out, that's fine  
22 as well, your Honor.

23 But just to be clear, I think we just want to make it  
24 clear that we are working -- we know this trial has gone  
25 slower, I think, than at least the government anticipated -- we

IBTKGRA5

1 are working to streamline our proof. We are, of course, aware  
2 of the elements of each of the charges that we have to prove,  
3 and so we are taking that into account, but our intention is,  
4 as much as possible, to streamline our remaining presentation.  
5 That's why we have been engaging almost every night, for the  
6 past week and a half, with defense counsel in trying to enter  
7 into numerous remaining stipulations, so that we can use the  
8 jury's time most efficiently.

9 THE COURT: Good. Thank you.

10 To the extent that there are topics that the parties  
11 can agree to through stipulation that will reduce the number of  
12 live witnesses, I encourage you to take those opportunities, to  
13 spare the jury's and the parties' time.

14 MS. NECHELES: We have worked very hard to do that,  
15 and will do that, but I think that would still leave 20  
16 witnesses, and we just ask that we be told who the witnesses  
17 will be, because it's hard to --

18 THE COURT: That's fine.

19 MS. NECHELES: -- say that there are 20 witnesses or  
20 so left on this witness list -- and it's really going to be a  
21 week? I'm going to be subpoenaing people and telling them to  
22 disrupt their schedules, and then it might not actually -- some  
23 of these are state agencies I might be subpoenaing. It is  
24 something that I think I need to figure out what's going on.

25 THE COURT: Thank you. I'll ask the parties to confer



IBTKGRA5

1 after I leave the bench.

2 Anything else that we need to talk about before we  
3 take our recess for the day, counsel for the United States?

4 MS. LONERGAN: Your Honor, I think only what time  
5 we're ending tomorrow, because I know that's been a little bit  
6 of a changing target, as the days get shorter.

7 THE COURT: Thank you.

8 My hope was that we could adhere to the 2:00 p.m. that  
9 we used, I think it's two weeks ago now, but please let me  
10 know, counsel, if that timing does not work well now, with the  
11 shortening days.

12 MS. NECHELES: Your Honor, I think the only problem  
13 is, I think now Shabbos starts 40 minutes earlier or like maybe  
14 half an hour earlier than it did two weeks ago because the days  
15 are still getting shorter, and the traffic has gotten really  
16 bad. So I think we're concerned about the 2:00 o'clock, as I  
17 anticipate the witness will be -- maybe he won't be, I don't  
18 know.

19 THE COURT: Thank you. Let's look at 1:30. But,  
20 counsel for the defense, as before, I'll continue to look to  
21 you, since it's your examination at this point, to the extent  
22 that there is additional work that you can get done after that,  
23 I will take the cue from you, on behalf of Mr. Reichberg, to  
24 ensure that he is able to comply with his obligations.

25 MS. NECHELES: Thank you, your Honor.

IBTKGRA5

1 THE COURT: Good. Thank you.

2 Anything else for Mr. Grant?

3 MR. MERINGOLO: No. Thank you, your Honor.

4 THE COURT: Good. Thank you, all. I'll see you  
5 tomorrow morning.

6 (Adjourned to November 30, 2018 at 9:00 a.m.)

7 \* \* \*

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

## INDEX OF EXAMINATION

Examination of:	Page
JONA RECHNITZ	
Cross By Ms. Necheles . . . . .	.3079

## DEFENDANT EXHIBITS

Exhibit No.	Received
12102 . . . . .	.3080
JR-12103 . . . . .	.3081
JR-12104 . . . . .	.3082
JR-12204 . . . . .	.3088
JR-12602 . . . . .	.3093
JR4004 . . . . .	.3100
12084A . . . . .	.3110
JR12084B . . . . .	.3114
1716 and Exhibit JR4104 . . . . .	.3121
JR4050 . . . . .	.3126
JR4053 . . . . .	.3127
4059 . . . . .	.3130
JR14027 . . . . .	.3135
JR14112 . . . . .	.3139
JR14101 . . . . .	.3144
JR14107 . . . . .	.3146
4007 . . . . .	.3150
JR51012 . . . . .	.3154
JR51004 . . . . .	.3155